



Frankston City Council

2012/13 Annual Budget

Adopted on 6 August 2012



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Overview

1. Executive Summary

The proposed 2012/13 Frankston City Council Budget is submitted for the consideration of Councillors and the community. The 2012/13 Council Budget forms an integral part of Council's overall strategic planning framework and endeavours to resource the directions that have been established in Frankston Vision 2025 and the proposed Council Plan 2012/13 to 2016/17. Council has established its four-year strategic directions in this latter document and developed actions to implement these directions, which flow directly through to this Budget.

The proposed 2012/13 Council Budget has been particularly challenging for Council in balancing competing needs to fund increased costs of waste collection and the impacts of the carbon tax whilst maintaining the rate increase within parameters established in the Long Term Financial Strategy. There will also be continued challenges in future years with an expected funding call relating to the unfunded gap in the Defined Benefits Superannuation Scheme.

In preparing this budget Councillors have held a number of meetings to determine the key areas for focus and funding for 2012/13 to ensure the longer term goals of the Council Plan and Vision 2025 are realised. This budget has captured the key priorities and transformed them into a program of work for 2012/13 to meet these priorities and build the foundation for later years.

This budget continues to deliver value to the Frankston Community in the provision of services and capital works. This budget provides for:

- \$16.704M to be invested in maintaining and renewing existing community assets such as buildings, parks, footpaths and drains
- \$9.045M to be invested in new and upgrade Capital Works
- \$9.221M to continue the development of the Frankston Regional Aquatic Centre; and
- \$0.966M in new operational initiatives to provide greater service capability to the community now and in the future.

These investments are in addition to a commitment to service delivery at 2011/12 levels to ensure community needs continue to be met, with some selected services increasing to meet growing demand. Council's proposed 2012/13 – 2015/16 Long Term Financial Plan provides for gradual investment in the delivery of capital works, and in particular the commitment to maintain the condition of community assets through asset renewal.

There are a number of key components of the proposed 2012/13 Budget to highlight as covered in the below points:-

- The Budget is based on Year 1 of the proposed 2012/13 – 2016/17 Long Term Financial Plan
- The proposed 2012/13 Annual Budget is based on an overall average increase in Council rates of 4.66%. Due to the impacts of the 2012 Council revaluation and proposed changes to Councils differential rates, the average residential rate increase will however be 1.49%. This includes the non-waste components of the impact of carbon tax as outlined below.
- The proposed Budget has incorporated significant increased costs in the collection and disposal of household waste. These cost increases are substantially due to the impact of the carbon tax, increases in state government

landfill levies and an increased cost in the collection of hard waste. The overall increase to Council for the collection and disposal of waste is 22%

- Capital works budget of \$34.970M
- Funding of Asset Renewal of \$16.704M
- \$9.221M to continue the development of the Frankston Regional Aquatic Centre
- Loan borrowings of \$19.573M in 2012/13

The proposed 2012/13 Budget includes some key outcomes that are covered in the below points:-

a) Impact of the Carbon Tax

The proposed 2012/13 Budget incorporates the impacts of the carbon tax which will commence on 1 July 2012. The impacts of the carbon tax can essentially be broken down into two components – waste related carbon tax and non-waste related.

Council has estimated the waste related component of carbon tax impacts at \$0.804M and this cost increase has been incorporated into the garbage charge to be paid by ratepayers, with the service priced on a cost recovery basis.

The non-waste aspects of the carbon tax include a direct cost for Council in higher electricity and gas prices which have added \$0.450M to the cost base of Council. They will further include an indirect cost as Council suppliers pass on increases in their cost base in their pricing to Council. It is difficult at this point to estimate the net cost on Council of these non-waste carbon tax impacts but modelling has forecast that they will amount to a combined increase equivalent to 1% of Council rates.

It is important to note at the outset that the non-waste components of carbon tax are essentially being borne by Council within its 2012/13 rate increase.

b) Impact of the 2012 Property Revaluation

The 2012/13 Council Budget provides for an increase in rate revenue of 4.66%. Given the 2012/13 is a property re-valuation year this increase will NOT be experienced uniformly across all properties in the City of Frankston.

Council proposes to introduce a new differential rate structure to apply in 2012/13, with residential rates increasing by an average of 1.49% (inclusive of the 4.66% Council rate increase), Commercial rates will increase by an average of 19.20% and Industrial rates will increase by an average of 23.77%.

Council is required under the Local Government Act 1989 to conduct a revaluation of all properties within the municipal boundaries on a two-yearly basis. The effective date of the 2012 revaluation is 1 January 2012, which is consistent for all Councils in Victoria. The revaluation is conducted by independent contract valuers and outcomes are certified by the Office of the Valuer General.

It is important to note that property revaluations do not increase the amount of rate revenue raised by Council – it only redistributes who pays the rates.

The table below highlights the movements in property valuations by Council's rating type over the past two years.

Rate - Category	No. of Properties	2011/12 CIV \$	Revaluation 2012/13 CIV \$	% Growth in Valuation
General - Residential	51,064	17,785,103,600	18,920,875,000	6.39%
Commercial	2,259	1,798,158,700	1,973,854,075	9.77%
Industrial	2,225	1,072,878,900	1,113,561,400	3.79%
Retirement Village	558	101,652,500	111,725,000	9.91%
Other Vacant Land	1,075	455,566,495	493,999,995	8.44%
Rural	676	550,450,000	603,917,500	9.71%
Acacia Estate	209	103,045,000	118,840,000	15.33%
Derelict	7	4,070,000	4,640,000	14.00%
Electronic Gaming Machine	6	56,020,000	61,840,000	10.39%
Farm	9	25,940,000	28,305,000	9.12%
Other	555	140,030,750	179,722,500	28.35%
Grand Total	58,643	22,092,915,945	23,611,280,470	6.87%

As highlighted in the table, increases in property values have not been uniform across rating types. This is particularly the case between the three largest groups in terms of total valuation with residential values increasing by 6.39%, commercial by 9.77% and industrial values by 3.79%. As such, the average rate increase for the residential sector in 2012/13 will be below the increase in Council rates.

c) Differential Rates

As part of the consideration of the proposed 2012/13 Budget, Council has further completed a review of its Rating system and the differential rates that it applies in equitably distributing the rating burden. The below table highlights the proposed changes in the differential rates that will be applied in 2012/13 in comparison to the previous rating period.

Differential Type	% Difference to General Rate 2012/13	% Difference to General Rate 2011/12
Rate for Retirement Villages	- 25.00%	- 25.00%
Rate for Commercial Land	+ 25.00%	-
Rate for Frankston Central Activities District (CAD)	-	+ 25.00%
Rate for Industrial Land	+ 25.00%	-
Rate for Acacia Estate	+ 4.66%	+ 9%
Rate for Electronic Gaming Machine Land	+ 100.00%	-
Rate for Farm Land	- 20.00%	- 20.00%
Rate for Derelict Land	+ 200.00%	+ 200.00%

Commercial (Developed and Vacant)

Frankston City Council has 1,345 commercial properties and 900 commercial (CAD) properties. These properties which constitute 3.8% of the total assessments and contribute 9% of the total rates raised. The Commercial CAD properties have previously been levied a higher differential rate based on a surcharge of an additional 25% above the residential rate. It is recommended that the commercial property differential in 2012/13 be extended equally to all commercial properties rather than be limited to the CAD area.

The Commercial differential rate is applied to promote the economic development objectives for the Frankston Commercial Sector. This objective includes an ongoing, significant investment in place management to improve the functionality and appearance of activity centres, together with general economic development promotion and facilitation activities, and through the creation of business opportunities by the activation of precincts such as the Frankston Central Activation Area. The commercial businesses of Frankston are expected to be beneficiaries of this ongoing significant investment by Council.

It is further noted that the application of a commercial differential rate further recognises the tax deductibility of Council rates for commercial properties which is not available to the residential sector and the income generating capability of commercial based properties.

Industrial Rate (Developed and Vacant)

Council has 2,223 industrial developed properties which in previous financial years have been rated in the same vein as residential properties.

Industrial properties are those that are used for the purposes of manufacturing. These properties which constitute 3.8% of the total assessments, contribute only 4.9% of the total rates raised. This is in contrast to many municipalities which differentially rate commercial and industrial properties in recognition of the tax deductibility of rates and ability to pay.

The Industrial rate is to promote economic development objectives for the Frankston Industrial Sector. This objective includes an ongoing, significant investment in place management to improve the functionality and appearance of activity centres, together with general economic development promotion and facilitation activities, and through the creation of business opportunities by the activation of precincts such as the Frankston Central Activation Area. The industrial businesses of Frankston are expected to be beneficiaries of this ongoing significant investment by Council.

Electronic Gaming Machine Land

Council is committed to working with the community to encourage responsible gambling and reduce the serious economic and social harm which can result from problem gambling. Council is concerned about the prevalence of problem gambling within its municipal district and the nexus between problem gambling and electronic gaming machines ("EGMs").

Council intends to undertake research and consultation into the local impacts of EGMs on the community. This research and consultation will provide informed strategies to reduce problem gambling, and to mitigate the impacts of problem gambling, in the municipal district through primary and tertiary prevention, community awareness and support initiatives. Council considers that the electronic gaming machine land differential rate will contribute to the equitable and efficient carrying out of its functions.

The objective of the electronic gaming machine land differential rate (“the EGM land differential rate”) is to equitably impose a differential rate on rateable land within the municipal district on which electronic gaming machines are operated and thereby to raise revenue to be used to improve the overall quality of life of people in the local community within Council’s municipal district having regard to the social and economic impacts of problem gambling and achieve the best outcomes for that local community in accordance with the primary objectives of Council pursuant to section 3C(1) of the Local Government Act 1989 (Vic).

The revenue raised (\$163,539) from the electronic gaming machine land differential rate will be used to fund develop and implement strategies and initiatives to reduce the impact of problem gambling.

d) Rates and Charges increase proposed for 2012/13

The table below highlights the two components that comprise the overall proposed increase in rates and charges for 2012/13.

Description	2012/13
Indicative Rates Increase	4.66%
Indicative Municipal Charge	4.66%
Total Indicative Rates	4.66%

The proposed 2012/13 Council Budget provides for an overall increase in rate revenue and municipal charge of 4.66%. Given that 2012/13 is a property revaluation year and with the proposed changes to the differential rate structure, this increase will not be experienced uniformly across all properties in Frankston City Council.

The below table highlights the percentage increase in rates 2012/13, by rating type.

Rate - Category	No. of Properties	Increase in rates %
General - Residential	51,064	1.49%
Commercial	2,259	19.20%
Industrial	2,225	23.77%
Retirement Village	558	4.86%
Other Vacant Land	1,075	3.45%
Rural	676	4.67%
Acacia Estate	209	7.38%
Derelict	7	8.78%
Electronic Gaming Machine	6	95.75%
Farm	9	4.13%
Other	555	Various
Grand Total	58,643	4.66%

For the 51,064 residential properties within Frankston City Council, the average rate increase in 2012/13 will be 1.49%.

In terms of the average residential rate increase of 1.49%, it is highlighted that this incorporates an estimated 1.00% of funding required to meet the estimated cost impacts of the non-waste related carbon tax. The actual residential rate increase applicable to Frankston City Council is therefore **0.49%**.

Average Residential Rate Increase	2012/13
Council Component	0.49%
Carbon Tax - estimate non-waste	1.00%
Total Average Residential Rate Increase	1.49%

In addition to the increase in rates, the proposed 2012/13 Budget incorporates a 22.06% increase in the cost of waste collection due to a number of factors including large increases in the cost of hard waste collection and increases in general waste collection charges. The introduction of the Federal Government Carbon Tax and State Government landfill levy further increases the cost per tonne of waste disposal in 2012/13. The provision of waste services is based on a cost recovery basis and these costs are therefore passed on to residents via an increase in the garbage charges to be levied.

It is likely that the State Government landfill levy will further increase from \$44 per tonne of waste to \$53.20 per tonne in 2012/13.

In terms of the impact on the average residential property in Frankston City Council, the total rates and charges annual impact is \$72.99 or \$1.40 per week (includes waste charges).

Residential Rate in the Dollar	2011/12	2012/13	Variance %	Variance \$
Median Residential Valuation in Frankston	\$ 348,290	\$ 370,533		
Residential Rate in the Dollar	0.002772	0.002645		
General Rates	\$ 965.46	\$ 979.89	1.49%	\$14.43
Municipal Charge	\$ 120.65	\$ 126.30	4.69%	\$5.65
Council Garbage Charge (120L)	\$ 192.40	\$ 245.30	27.49%	\$52.90
Total Rates & Charges Median Residential	\$ 1,278.51	\$ 1,351.50	5.71%	\$72.99

e) Service levels

The proposed 2012/13 Annual Budget is based on maintaining most current service levels to the Frankston community. Currently, this budget provides for some limited service growth in areas such as infrastructure, building and property maintenance and waste collection services in 2012/13.

f) New Initiatives

The 2012/13 Annual Budget currently includes a total of \$0.966M in new program initiatives. The current operating initiatives include the following:

- \$182,343 for Major Projects, Librarian, Visitor Information Centre and Councillor support staff.
- \$316,000 to fund the Economic Resilience Package
 - \$40,000 to fund Buy Local (Ballarat Model) project
 - \$30,000 to fund initiatives from the Work Life Frankston community strategy.

- \$20,000 to fund the 2012/13 Ironman Event
- \$40,000 to fund the Business Conferencing and Accommodation Attraction Package
- \$120,000 to fund the Renew Frankston project
- \$66,000 to fund Business Grants
- \$163,539 to fund the following Gambling Research and Projects:
 - \$78,000 to undertake a research study on the extent and impact of problem gambling within Frankston Local Government Area and to develop and implement place based strategies to reduce the impact of problem gaming.
 - \$45,000 to fund a Community Education Campaign: Based on findings within the Research Study implement a targeted community education campaign aimed at reducing EGM gambling harm.
 - \$40,539 to promote and support alternative entertainment and recreation options.
- \$120,000 in Drainage Maintenance and increased pit cleaning.
- \$50,000 to fund the Frankston Open Space Strategy and address deficiencies.
- \$41,000 to fund the valuation of non-rateable properties and introduce direct debit payment option for rate payments.
- \$20,000 to review of Fire Management Plans.
- \$19,000 to fund panel hearing expenses.
- \$18,000 to fund smoke free outdoor area project
- \$17,000 to fund hazard tree works on rural roads.
- \$10,000 for Emergency Management mock exercise.
- \$9,120 to fund the Communications Link upgrade.

The details for all the new initiatives can be found in Appendix E.

g) Efficiencies achieved in delivering the 2012/13 Budget

Whilst the annual cost escalation factor for Council has been assessed at 4.98% for 2012/13, the preparation of this annual budget involved a review of all operational services and costs. As a result of this review, \$0.895M in budget reductions were identified and factored into the proposed 2012/13 Annual Budget. The impact of these cuts will significantly reduce the organisational flexibility to deal with any new demands or emerging issues that may arise during 2012/13. In 2011/12, \$2.400M was cut from the operating Budget.

The operational efficiencies identified have been used to reduce the required rate increase and to fund limited operational new initiatives.

h) Operational Budget Challenges in 2011/12 and 2012/13

During 2011/12, Council received advice from Vision Super that it was likely that another call-up for the defined benefit superannuation will occur. This liability has been provided in the 2012/13 Budget for \$6.500M and funded from loan borrowings in 2012/13 to be paid over a three year period. Vision Super have advised that there will be a likely LASF Defined Benefit Plan shortfall in the order of \$320M. The markets have not performed

sufficiently and the Actuary recommends that authorities should pay the shortfall with interest.

Vision Super's last call up was \$71M (Frankston's share \$1.22M or 1.72%). With the expected funding pool shortfall to be in excess of \$320M, Frankston's share of the shortfall could be in excess of \$5.5M. Superannuation funds are subject to 15% tax on all employer contributions. In order for Vision Super to receive the required amount net of tax, the original amount must be grossed up by 17.65%.

Therefore, Council's total liability is likely to be in excess of \$6.5M.

A number of issues have emerged over recent months that have a significant impact on Council's financial position in 2012/13. These are:

- \$1.500M for additional legal costs in 2011/12 for the Stevenson's Road matter
- \$0.400M for increased costs of building maintenance
- \$0.212M decrease in fees and charges income due to an expected fall in subdivision fees for private subdivisions.

i) Maintaining the asset renewal challenge

The challenge to fund the appropriate replacement of existing assets (roads, drains, buildings etc) is one that City of Frankston shares with many other municipalities. Over recent years, Council has made decisions to include an infrastructure levy within the rate increases to address the asset renewal spending level to a point where the City could maintain the condition of its assets.

Council has reduced its required level of spending by \$1.5M in both 2012/13 and 2013/14 to assist in the funding of the Frankston Regional Aquatic Facility. It is planned that the asset renewal spend will be replenished by these amounts in the 2014/15 and 2015/16 financial years to maintain the level of resources required to renewing our assets.

The table below highlights the funding provided for Asset Renewal investment in the 2012/13 Budget.

Asset Renewal Category	Budget 2012/13 \$'000
Bridges and Pedestrian Structures	851
Transportation	5,056
Facilities	4,381
Parks & Leisure	1,780
Stormwater Management	658
Plant, Equipment, Furniture & Artworks	3,978
Total	16,704

j) **Funds available for Capital Works**

The total Capital Works Program for 2012/13 is \$34.970M. The total works funded from Council rates is \$20.447M.

Capital Works Source of Funds	2012/13 Budget \$'000
External	
Grants - Capital	5,751
Sale of Plant	1,078
Loan Borrowings	794
Contributions - Capital	50
Sub total	7,673
Internal	
Reserve Funds	6,850
Rate Revenue	20,447
Carried forwards	
Sub total	27,297
Total Capital Works Funding	34,970

A major component of the Capital Works Program expenditure is the asset renewal program to maintain the existing asset base to community expectations. The asset renewal program for 2012/13 is \$16.704M. Greater detail on the renewal program is provided in Appendix C of this document.

k) **Key Infrastructure Projects included in the 2012/13 Budget**

Without doubt, the most significant capital project included in the 2012/13 Council Budget is the \$47M (\$9.221M provision in 2012/13) made for the Frankston Regional Aquatic Centre project in Frankston. This project will be funded by grant funds received from the State Government \$12.500M and recently announced Federal Government funding of \$13.500M. The balance of funds required for the project will be funded by Council loan borrowings drawn down in 2013/14.

Residents and other interested members of the community are welcome to view and make comments and submissions on the budget. I commend the 2012/13 Annual Budget to Council.

Jane Homewood
Acting Chief Executive Officer

2. Budget Overview

2.1 Frankston City...at a glance

Frankston City is an enviable and exciting place in which to live, work and visit and offers:

- Vibrant and diverse communities with a potential catchment of over 328,000 people
- A unique lifestyle
- 10 kilometres of beautiful coastline, award winning clean foreshore and beaches
- Cutting-edge arts facilities and excellent restaurants and cafés
- World-class health and education facilities
- Proactive commercial, retail and clean manufacturing business environment
- The start of the Mornington Peninsula experience and all that the greater region has to offer – with 1.4 million overnight visitors and 2.9 million day trippers visiting annually

Our Place

Frankston City is situated on the eastern shores of Port Phillip Bay approximately 40 kilometres south of Melbourne. The municipality covers an area of about 131 square kilometres from Seaford Wetlands in the north, to Mount Eliza in the south, and the Western Port Highway in the east. The western boundary of the city is made up of about 10 kilometres of beautiful coastline, and clean foreshore and beaches along Port Phillip Bay.

Frankston City is strategically placed as the regional capital for the Mornington Peninsula and the nearby south east growth corridor of Melbourne. Currently, Frankston City provides regional shopping, education, health, community service, financial, recreation and leisure and entertainment facilities for a population catchment far greater than its municipal boundaries.

Frankston City is more than just the suburb of Frankston. It comprises the suburbs of Frankston central, Carrum Downs, Frankston North, Frankston South, Langwarrin, Seaford, Karingal, Sandhurst and Skye.

Our People

The population of Frankston City is 117,804 (ABS Census 2006) and is likely to grow to approximately 136,600 by 2031. Frankston City has a young population, with nearly 25 per cent of residents under the age of 17 and 47% under 34 years of age.

Overall, 20.8 per cent of the population was born overseas and 8.9 per cent were from a non-English speaking background, compared with 28.9 per cent and 21.9 per cent respectively for the Melbourne Statistical Division.

The dominant non-English speaking country of birth in Frankston City was the Netherlands, where 0.7 per cent of the population, or 837 people, were born. The United Kingdom and New Zealand are the highest overseas birthplaces – being 8.7 per cent and 2.1 per cent respectively.

Our labour force comprises 57,616 individuals, of which over 54,100 are employed.

Overall, 36.1 per cent of the population held educational qualifications – including 9.4 per cent with a Bachelor or higher degree and 19.6% who had a vocational qualification. 50.1 per cent of our population had no qualifications (although this figure has changed significantly (declined by over 2,100 individuals) in the five years since the last census).

In 2006, Frankston City contained 48,948 dwellings, 77 per cent of which were separate houses. It is expected that the supply of residential green field and brown field land is expected to run out in 2014-2016. The Victorian State Government's planning and population strategic document – *Melbourne @ 5 Million* – anticipates that 155,000 new residents will be housed in Frankston City, with a significant proportion of these being accommodated in infill housing resulting from site redevelopment and multi-unit development. It is anticipated that there will be significant clustering around the Frankston Central Activities Area (CAA).

Recreation and Leisure

Since the introduction of the Recreation Strategy in 1999, more than \$50 million has been spent on sport and leisure. Council has an emphasis on developing first-class facilities –golf courses, basketball and netball facilities, quality football grounds, gardens, playgrounds, boardwalks and bike trails – to meet the needs of a community where approximately 20,000 people take part in sport.

2.2 Council Plan 2012 - 2016

The Council Plan sets the Strategic Objectives for Council and the strategies to achieve these. These Objectives and Strategies, in turn, progress Council towards the achievement of Frankston Vision 2025. The Annual Budget establishes the priorities for that year and converts these actions into financial terms to ensure that there are sufficient resources for their achievement.

Section 4 provides a full description of the Council's Key Strategic Activities and the Council Performance Statement.

2.3 Basis of budget preparation

Under the Local Government Act 1989 ("the Act"), Council is required to prepare and adopt an annual budget. The budget is required to include certain information about the rates and charges that Council intends to levy as well as a range of other financial information required by the Local Government Regulations, 2004 ("the Regulations").

The first step in the budget process is for Councillors and Officers to prepare the draft annual budget in accordance with the Act and submit the proposed budget to Council for approval "in principle". Council is then required to give public notice that it intends to adopt the budget. It must give 28 days notice of its intention to adopt the proposed budget and make the budget available for inspection. The final step is for Council to adopt the budget after receiving and considering any submissions from interested parties. Whilst the budget is required to be adopted and a copy submitted to the Minister for Local Government by 31 August each year, it is considered optimal for Council to commence the new financial year on 1 July, 2012 with an adopted Budget in place.

The 2012/13 Annual Budget is for the year 1 July 2012 to 30 June 2013 and is prepared in accordance with relevant Act and Regulations. The 2012/13 Annual Budget includes standard statements being a budgeted Income Statement, Balance Sheet, Cash Flow and Capital Works. These statements have been prepared for the year ended 30 June 2013 in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and in accordance with relevant Act and Regulations.

The 2012/13 Annual Budget includes a description of the activities and initiatives to be funded and how they will contribute to achieving the strategic objectives specified in the Council Plan 2012 - 2016, as well as separately identified Key Strategic Activities and performance targets and measures in relation to each of these. The 2012/13 Annual Budget also includes detailed information about the rates and charges to be levied, the capital works program to be undertaken, and other financial information which Council requires in order to make an informed decision about the adoption of the budget.

The budget includes consideration of a number of long-term strategies to assist Council in considering the Budget in a proper financial management context.

2.4 Budget Processes

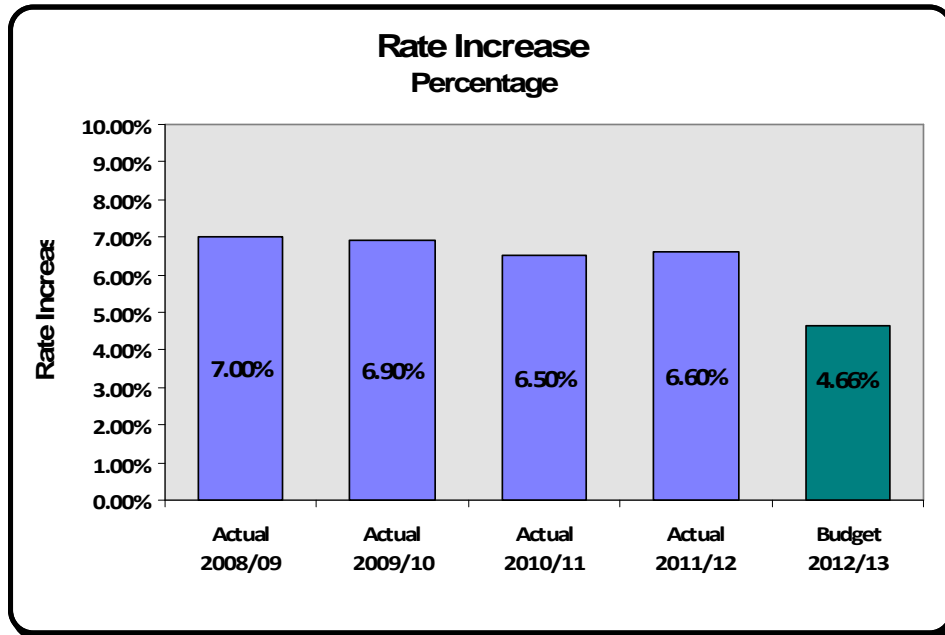
The key dates for the Annual Budget process are summarised below:

Action Required	Date
Budget submitted to Council for approval "in principle"	Tuesday 26 June
Public notice in 'The Age' advising intention to adopt budget	Thursday 27 June
Budget available for public inspection and comment	Thursday 27 June
Submissions close and referred to Council/Committee for consideration	Thursday 26 July
Hearing of Public Submissions	Monday 30 July
<u>Budget presented to Council at a Special Meeting for Final Adoption</u>	<u>Monday 6 August</u>

2.5 Key Budget Information

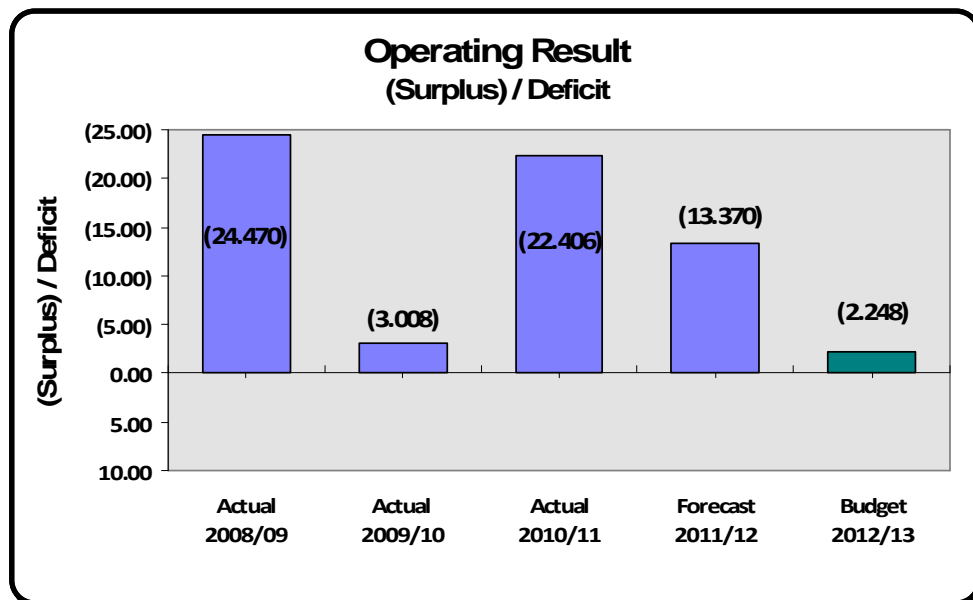
Council has prepared a Budget for the 2012/13 financial year which seeks to balance the demand for services and infrastructure with the community's capacity to pay rates. Key budget information is provided below about the rate increase, operating result, service levels, cash and investments, capital works, financial position, financial sustainability and key strategic activities of the Council.

2.5.1 Rates



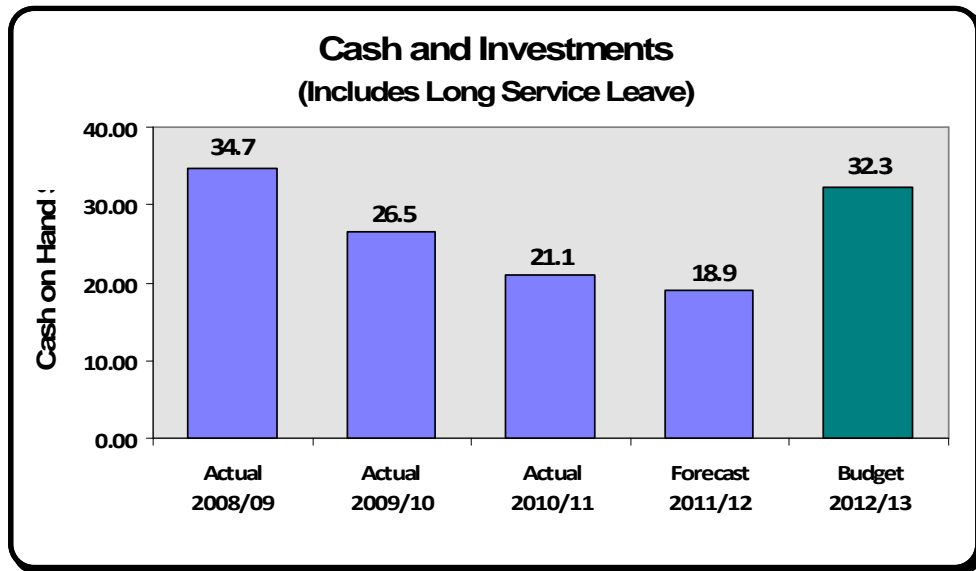
It is proposed that general rates increase by 4.66% raising total rates of \$72.549M, including \$0.737M generated from supplementary rates on new properties.

2.5.2 Operating Result



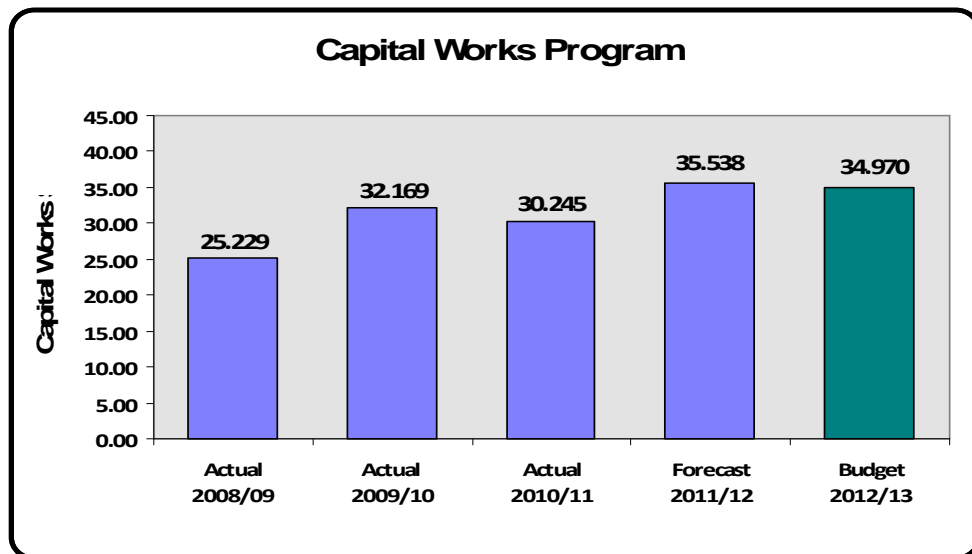
The expected operating result for the 2012/13 year is a surplus of \$2.248M, which is a decrease of \$11.122M over forecast 2011/12. The decreased operating result is due mainly to the external funding for the Frankston Regional Aquatic Centre of \$5.000M. The underlying result, which excludes items such as capital grants and contributions, is a surplus of \$1.428M. (The forecast underlying result for the 2011/12 year is a surplus of \$2.419M) due mainly to the advance payment of 2012/13 Victoria Grants Commission funding of \$2.250M.

2.5.3 Cash and Investments



Cash and investments (including investments for Long Service Leave provision) are expected to increase by \$13.4M during the year to \$32.3M as at 30 June 2013 due mainly to loan borrowings and grant funding for major capital projects being received (Cash and investments are forecast to be \$18.9M as at 30 June 2012 including the advance payment of 2012/13 Victoria Grants Commission funding of \$2.250M).

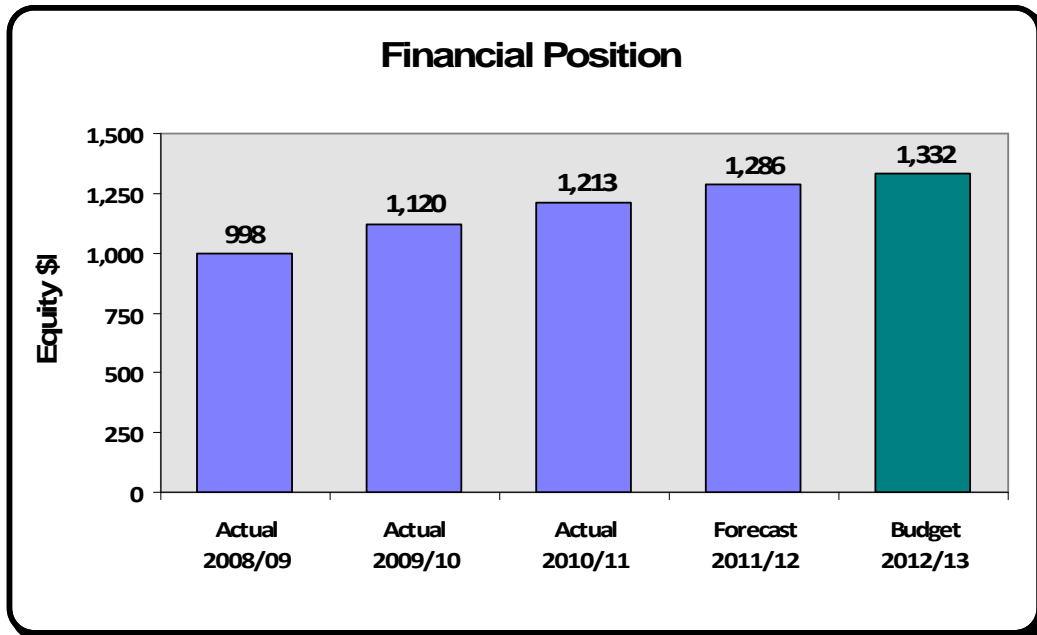
2.5.4 Capital Works



The capital works program for the 2012/13 year is expected to be \$34.970M plus projects which will be carried forward from the 2011/12 year. The carried forward component was fully funded from the 2011/12 budget.

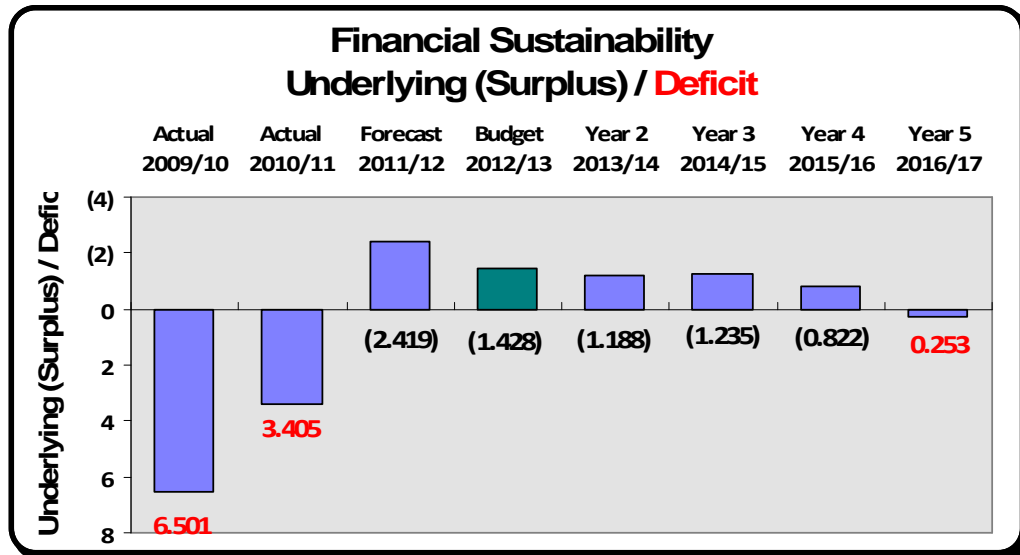
The capital expenditure program has been set and prioritised based on a rigorous process of consultation that has enabled Council to assess needs and develop sound business cases for each project.

2.5.5 Financial Position



The financial position is expected to improve with net assets (net worth) to increase by \$46M to \$1.332 billion due mainly to the asset revaluation of infrastructure scheduled to occur at year end. (Total equity is forecast to be \$1,286M as at 30 June 2012).

2.5.6 Financial Sustainability



A high level Strategic Resource Plan for the years 2012/13 to 2016/17 has been developed to assist Council in adopting a budget within a longer term prudent financial framework. The key objective of the Plan is financial sustainability in the medium to long term, while still achieving the Council’s strategic objectives as specified in the Council Plan.

2.6 Significant influences

External influences

In preparing the 2012/13 Annual Budget, a number of external influences have been taken into consideration. These include:

- A consolidated Cost Escalation Factor of 4.98% which is derived from a number of independently assessed cost indices which impact on the various cost components of Council’s operating budget.
- A continuation of cost shifting where Federal and State government grants do not increase by the same percentage as Council’s cost of providing these services.
- The State Government raised the landfill levy in 2009/10 with significant impacts on Council’s waste management costs. In 2012/13, an increase in the levy payable to the State Government upon disposal of waste into landfill has resulted in additional waste tipping costs. The objective of the levy is to achieve higher rates of recycling and keep valuable materials out of landfill. Through this significant policy adjustment the State Government aims to increase recycling rates and reduce volumes going to landfill.

- The carbon price introduced by the Federal Government will commence in Australia on 1 July 2012 and is part of the government's 'Clean Energy Future' climate change plan. The price will be set at a fixed amount for the first three years of its operation and will be a floating rate set by the market thereafter. Council will be impacted both directly and indirectly by the carbon price as suppliers to Council pass through costs relating to the carbon price that they will incur. Frankston Council can expect to face increased costs associated with the disposal of general domestic waste to landfill, electricity and gas purchases, and a general inflationary impact on supplier prices.

In 2012/13, budgeted costs associated with the disposal of domestic waste have been included within the annual garbage charge in line with Council's policy of full cost recovery of waste related costs. The increased costs will be passed on via higher waste charges to residents;

- Council has been advised that it will again be called upon to fund a call from Vision Super to address an unfunded gap in the defined benefits superannuation scheme. At the time of the development of the 2012/13 Budget, the level of the contribution was unknown. Based on broad scale assessments provided by Vision Super, an expense of \$6.5M has been included in the 2012/13 Budget with payment due on 1 July 2013.

Internal influences

In addition to the external factors noted, there are a number of internal factors which also impact on the setting of the 2012/13 Annual Budget. These include:

- Ongoing objective to gain operational efficiencies and to achieve long term financial sustainability.
- Employee costs are largely driven by Council's Enterprise Bargaining Agreement (EBA). The Enterprise Agreement No.6 expires on 17 January 2013. Pending outcomes of the EBA, an annual increase of 4.0% has been applied in 2012/13.
- Increased resourcing costs associated with waste collection services.
- The joining of Frankston in the Class Action relating to Stevenson's Road Landfill has placed additional budget pressures for legal costs.
- Increased costs associated with building maintenance to ensure that the standard of community facilities is maintained.
- Ongoing skill and workforce shortages in a tight labour market.
- A heightened risk management environment.

2.7 Key budget principles for the 2012/13 year

The 2012/13 Annual Budget aims to meet the objectives of Council's draft Long Term Financial Plan which are:

- An increased ability to fund asset renewal requirements
- An enhanced funding level for capital works in general
- Progressing Council towards a position of financial sustainability in the long term
- Achievement and maintenance of Operating Statement underlying surpluses whilst maintaining the provision of operational services that respond to the needs of the Frankston community
- Rate and fee increases that are both manageable and sustainable

Guidelines were prepared and distributed to all Council officers with budget responsibilities. The guidelines set out the key budget principles upon which the officers were to prepare their budgets. The principles include:

- Existing fees and charges to be increased in line with Council's cost escalation index or market levels
- Grants to be based on confirmed funding levels
- New revenue sources to be identified where possible
- Service levels to be maintained at 2011/12 levels with the aim to use less resources with an emphasis on innovation and efficiency
- New initiatives or new employee proposals which are not cost neutral to be justified through a business case
- Operating revenues and expenses arising from completed 2011/12 capital projects to be included.

In terms of the direct parameters upon which the 2012/13 Annual Budget is based, the below table tabulates the assumptions:

Assumptions	%
Rate increases	4.66%
Waste Charges	22.06%
Fees - Set by Council (1)	5.05%
Fees and Charges (Statutory)	1.00%
Other Recurrent Grants	3.60%
Grants Commission Grants	1.00%
Employee Costs (2)	4.50%
Contracts & Materials	4.00%
Utilities(excludes Water and Electricity)	5.00%
Water	15.00%
Electricity	28.00%
Insurance	5.00%

Notes:

1. Fees and Charges are fully documented in Appendix F. The majority of Fees and Charges have been escalated by the cost indexation that measures the increased cost for Council to provide services. There is however a number of individual fees where increases are both below or higher than the base index due to them being of a statutory nature.

2. A combined increase of 4.50% has been allowed to cover both EBA increases and periodic increases that occur as staff progress through the employee banding structure provided for in Awards.

2.8 Major 2012/13 Budget outcomes

Major components of the 2012/13 Annual Budget are as follows:

- An average Council rate increase by 4.66%
- Existing service levels mostly maintained, with some minor service growth to meet service demands.
- A commitment to asset renewal of \$16.704M.
- Council's total capital expenditure in next year is estimated to be \$34.970M with \$20.447M being funded from Council rate revenue.
- Average Council waste charges will increase by 22%
- Council borrowing in 2012/13 will be \$19.573M for capital works projects including the Frankston Regional Aquatic Centre. Council will also borrow funds to repay Council's superannuation liability.
- Council will record an underlying operational surplus in 2012/13.

3. Linkage to Council Plan

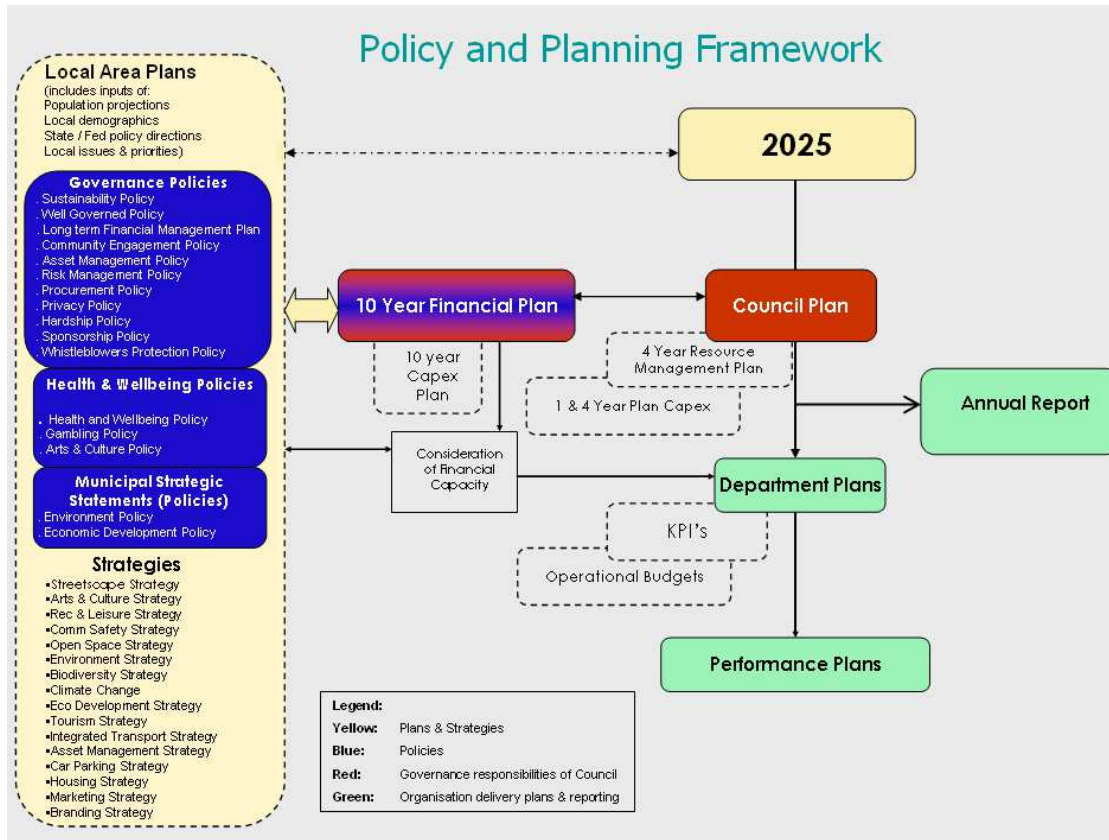
This section describes how the Annual Budget links to the achievement of the Council Plan within an overall planning framework. This framework guides the Council in identifying community needs and aspirations over the long term (Frankston 2025), medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Audited Statements).

3.1 Strategic Planning Framework

The Strategic Resource Plan, included in the Council Plan summarises the financial and non-financial impacts of the objectives and strategies and determines the sustainability of these objectives and strategies. The Annual Budget is then framed within the Strategic Resource Plan, taking into account the activities and initiatives included in the Annual Budget which contribute to achieving the strategic objectives specified in the Council Plan. The diagram below depicts the strategic planning framework of Council.



The timing of each component of the planning framework is critical to the successful achievement of the planned outcomes. The Council Plan, including the Strategic Resource Plan, is required to be completed by 30 June following a general election and is reviewed each year by February to ensure that there is sufficient time for officers to develop their Activities & Initiatives and Key Strategic Activities in draft form prior to the commencement of the Annual Budget process in March. It also allows time for targets to be established during the Strategic Resource Planning process to guide the preparation of the Annual Budget.



3.2 Our Purpose, Roles, Vision and Values

Our Vision for the City

A sustainable regional capital on the bay – vibrant, inclusive and a natural lifestyle choice.

Our Mission

Lead and govern a connected community and deliver services and infrastructure which promotes the quality of life for our current and future generations.

Our values

The core values that help Council to achieve the vision are:

- **Community** - We work with our community, for the best interests of current and future generations.
- **Respect** - We are courteous and respectful to everyone at all times
- **Excellence** - We accept the challenge & strive to be the best we can be
- **Accountability** - We take responsibility for our performance, development and safety
- **Teamwork** - We work together with others to achieve a shared outcome
- **Integrity** - We deal honestly and ethically with others and keep our commitments
- **Sustainability** - We consider the long term impacts when making decisions

3.3 Strategic Objectives

The Council Plan details the strategic objectives that will drive Council's role within our partnership with the community to achieve the aspirations of Frankston 2025 Community Vision. The plan identifies six strategic objectives under which Council's activity for the next four years will be delivered.

Strategic Objectives

1 Well Governed

Our community seeks local decision making, leadership and strong community advocacy that reflects the needs of our community and responsive service.

2 A Safe City

Health, happiness and a sense of safety is central to community wellbeing. Council's role will be to work with the community at different levels of government to create an environment in which people can feel safe in participating in everyday life with the ability to prepare for and recover from emergency events that may impact the city.

3 Vibrant and Healthy Community

Our community is connected through active and healthy residents who have a diverse range of interests and lifestyles. Council's role is to understand the health and wellbeing challenges for the local population and collaborate with the community and state organisations to plan and advocate for the delivery of necessary health services, opportunities to celebrate through events, festivals, enjoying cultural differences and artistic expression and facilities for active and passive sport and recreation.

4 Well Planned, Well Built and Well Maintained

Council's role will be to develop and put in place planning controls to protect and enhance the unique characteristics of Frankston, showcase innovative and environmentally sensitive design and ensure infrastructure and open spaces are linked with functional pedestrian, vehicle and bicycle networks to provide for the future needs of the community and maintained to a high standard.

5 Clean and Green for our Future

Frankston City is a leader in sustainable development and conservation of our natural reserves. Frankston has a diverse range of natural assets including wetlands, coastline on Port Phillip Bay and natural reserves. Development and population growth continues to place a strain on our biodiversity and natural resources. Balanced development together with information and community education to increase the uptake of environmentally friendly practices will assist in the challenge of adapting to climate change.

6 A Place of Business Prosperity that Values Learning Communities

Engaging local children and their parents to actively participate in their education will enhance business and employment opportunities in the future. Sustainable local economic growth, employment and wealth generation are derived from prosperous innovative and competitive business. Council's role is to encourage more young people to achieve their career aspirations and help balance between the needs of the business community and residents' quality of life.

4. Activities, initiatives and key strategic activities

This section provides a description of activities, initiatives and key strategic activities to be funded through the 2012/13 Budget. Performance measures and targets are provided for each key strategic activity. The relationship between these components and how they contribute to achieving the Council Plan objectives is shown in the below diagram.

4.1 Theme 1: Well Governed

The activities, initiatives and key strategic activities for this Objective are described below.

Key Strategies			Department	2012/13
Strategic Objective 1				
Well Governed				
1.1	Increase Council's responsiveness to our community	Embed Local Area Planning as the key engagement tool (opportunity) for residents to advance the future of their suburbs	Community Development	✓
		Report accessibly and comprehensively about our performance to our community	Organisation Development	✓
		Increase the opportunities for members of the public to submit policy issues to Council	Governance	✓
		Ensure Council has the capacity to be receptive to additional community priorities as and when they arise	Governance	✓
1.2	Provide facilities and other assets that meet our community's needs	Evaluate suitability of assets	Infrastructure	✓
		Prioritise Capital Investment	Infrastructure	✓
1.3	Improve organisational capacity to better deliver on community needs	Ensure sound financial planning	Finance	✓
		Review and improve Council's buildings, drains, roads, parks, urban spaces, natural reserves to meet future community need	Infrastructure	✓
		Improve our governance practices through the development of a Good Governance Program	Governance	✓
		Conduct service reviews for all services	Organisation Development	✓
		Improve the time taken to process delegated planning permit decisions	Planning	✓
		Implement the CT Management Capital Works review recommendations	Infrastructure	✓
1.4	Provide appropriate accommodation for Council and employees	Ensure the Council Offices meet the future needs in order to deliver services to the community	Major Projects	✓

Key strategic activities

Strategic Activity	Performance Measure	Performance Target
Embed Local Area Planning as the key engagement tool (opportunity) for residents to advance the future of their suburbs	Satisfaction with process of engagement	85% satisfied with process of engagement
Improve our governance practices through the development of a Good Governance Program	Good Governance Program presented to Council	Program presented by 30 June 2013

4.2 Theme 2: A Safe City

The activities, initiatives and key strategic activities for this Objective are described below.

Key Strategies		Department	2012/13
Strategic Objective 2			
A safe city			
2.1	Improve safety, both real and perceived, across the municipality	Advocate to State Government to address: - An increase in police foot patrols in Central Activities Area (City Centre) - Stronger penalties for hooning - Community preparation for emergency events, such as flooding, extreme heat and fire threats	Compliance & Safety ✓
		Encourage more community events in city streets	Events & Marketing ✓
		Improve the cleanliness, appearance and presentation of Frankston City	Physical Services ✓
		Implement and enforce compliance to improve derelict and unsightly buildings	Compliance & Safety ✓
		Enforce the management of dogs off leash	Compliance & Safety ✓
		Work with our community and other stakeholders to address: - Hooning (LATMS) - Better graffiti prevention and education - Effective Closed Circuit TV (CCTV) camera use with more operational cameras - Minimising the negative impacts of drug and alcohol consumption	Compliance & Safety ✓

Key strategic activities

Strategic Activity	Performance Measure	Performance Target
Advocate to State Government to address: - An increase in police foot patrols in Central Activities Area (City Centre)	Community perception of safety in the Central Activities Area (City Centre)	80% feel safe in the Central Activities Area
Implement enforcement and compliance to improve derelict & unsightly buildings	Enforcement action taken against unsightly & derelict properties	Enforcement action taken against 90% of unsightly & derelict properties
Improve the cleanliness, appearance and presentation of Central Activities Area	Satisfaction of cleanliness, appearance and presentation of Central Activities Area	88% satisfaction with cleanliness, appearance and presentation

4.3 Theme 3: Vibrant and Healthy Community

The activities, initiatives and key strategic activities for this Objective are described below.

Key Strategies		Department	2012/13	
Strategic Objective 3				
Vibrant & Healthy Community				
3.1	Improve the Health and Wellbeing of the community	Work with our community and Government to improve the life of residents by:-	Community Development	✓
		- encouraging a reduction in smoking	Compliance & Safety	✓
		- building an aquatic centre	Major Projects	✓
		- increasing people's participation in recreation	Parks & Leisure	✓
		- reduce the impact of family violence	Compliance & Safety	✓
	Promote and monitor the effectiveness of 6 Neighbourhood Youth Services	Family and Youth	✓	
3.2	Improve the public open space environment	Establish guidelines for the effective management of open spaces to meet current needs and those of future generations	Urban Strategy	✓
3.3	Increase community access to the Arts	Increase community participation in festivals, events and the arts	Events & Marketing	✓
		Build and strengthen an arts culture as an attractor of business and visitors to Frankston	Frankston Arts Centre	✓
		Enhance art in public places	Urban Strategy	✓
3.4	Improve sustainable local food security	Encourage more agricultural business	Urban Strategy	✓
		Encourage more community gardens to increase food grown locally	Community Development	✓

Key strategic activities

Strategic Activity	Performance Measure	Performance Target
Promote and monitor the 6 neighbourhood Youth Services	Number of youth participating in youth programs per Youth Services Site	2000 youth participants per Youth Services Site

4.4 Theme 4: Well Planned, Well Built, Well Maintained

The activities, initiatives and key strategic activities for this Objective are described below.

Key Strategies			Department	2012/13
Strategic Objective 4				
Well Planned, Well Built, Well Maintained				
4.1	Redevelop the transit interchange and Frankston's Central Activity Area (City Centre)	Win State Government support to redevelop the Frankston Transit Interchange with associated employment, education and housing opportunities	Urban Strategy	✓
		Create and promote systems to ensure faster and more effective planning decisions for high quality developments in the Central Activities Area (City Centre)	Planning	✓
4.2	Improve the public environment within the Frankston Central Activity Area (City Centre)	Plan for and promote appropriate high quality development	Planning	✓
		Improve the streetscapes in the Frankston Central Activity Area (City Centre)	Urban Strategy	✓
		Enhance the presentation and cleanliness of Frankston City	Physical Services	✓
4.3	Build a Regional Aquatic Centre	Design a regional aquatic centre which meets the community's needs	Major Projects	✓
		Construct regional aquatic centre	Major Projects	✓
4.4	Redevelop Frankston Yacht Club	Implement the redevelopment of the Frankston Yacht Club	Major Projects	✓
4.4	Provide and advocate for a variety of transport modes	Review and improve the adequacy of car parking within Frankston Transit Interchange and Frankston's Central Activity Area (City Centre)	Infrastructure	✓
		Improve our footpath and cycle network	Infrastructure	✓
		Advocate for improved public transport	Infrastructure	✓
		Maintain an effective road network for all users	Infrastructure	✓
4.5	Provide for increases in population without reducing amenity	Provide planning certainty so the unique characteristics of Frankston are enhanced and preserved	Planning	✓
		Consult with the community to develop service standards and service levels to deliver fit for purpose infrastructure	Assets, Community Development	✓

Key strategic activities

Strategic Activity	Performance Measure	Performance Target
Create & promote systems to ensure faster and more effective planning decisions for high quality developments in the Central Activities Area (City Centre).	Percentage of planning applications approved within the statutory timeframe within the Central Activities Area (City Centre)	60% approved within the statutory timeframe within the Central Activities Area (City Centre)
Work with Places Victoria & DOT to redevelop the Frankston Transit Interchange with associated employment, education and housing opportunities	Complete Urban Renewal Strategy and submit to Government for funding Complete Frankston Transport Interchange Precinct Master Plan and submit to Government for funding	Funding announced in State Government Budget announcement in April 2013 Funding announced in State Government Budget announcement in April 2013
Design a regional aquatic centre which meets the community's needs	Award Tender and signing of Contract	Tender awarded and contract signed by 31 Oct 2012

4.5 Theme 5: Clean and Green for our Future

The activities, initiatives and key strategic activities for this Objective are described below.

Key Strategies		Department 2012/13		
Strategic Objective 5				
Clean and Green for our Future				
5.1	Provide leadership by reducing Council's greenhouse gas emissions	Reduce Council's energy consumption in Council's facilities	Environment	✓
		Ensure 15% or more of Council's energy supplies come from alternate sources by June 2015	Environment	✓
		Advocate and connect community and local business with practical methods to reduce emissions	Environment	✓
5.2	Minimise impact of and adapt to climate change in the municipality	Work with State Government to introduce planning controls that take into account sea level rises	Planning	✓
		Conduct drainage modelling for flood prone areas at risk of storm damage	Infrastructure	✓
		Advocate to State Government for effective drainage networks in accordance with our joint responsibilities	Infrastructure	✓
5.3	Protect and enhance Biodiversity within Frankston City	Protect trees and other vegetation within the municipality	Environment	✓
		Protect valued indigenous flora and fauna	Planning	✓
		Plant more Street Trees	Environment	✓
5.4	Minimise and manage waste	Encourage increased recycling, green waste and composting through public education, incentives and behaviour change such as recycling and composting	Environment	✓
		Reduce waste to landfill	Physical Services	✓
		Advocate to State Government to prepare a business case for an Advanced Resource Recovery Technology (ARRT) Facility in the South-east metro region	Physical Services	✓

Key strategic activities

Strategic Activity	Performance Measure	Performance Target
Conduct drainage modelling for flood prone areas at risk of storm/tidal damage	Complete drainage modelling presented to Council for Frankston South and Dandenong Road East	Drainage Modelling completed by 30 June 2013
Ensure 15% or more of Council's energy supplies come from alternate sources by June 2015	Percentage of Council's total energy usage from renewable energy and natural gas	15% of Council's total energy usage from renewable energy and natural gas by 30/6/13

4.6 Theme 6: A Place of Business Prosperity that Values Learning Communities

The activities, initiatives and key strategic activities for this Objective are described below.

Key Strategies		Department		2012/13
Strategic Objective 6				
A Place of Business Prosperity that Values Learning Communities				
6.1	Increase the number of employers and jobs in Frankston	Identify and attract new businesses and investment to Frankston	Urban Strategy	✓
		Nurture existing businesses to expand and provide more jobs (in particular large employers and green industry)	Urban Strategy	✓
		Retain and support existing businesses, eg. Buy local	Urban Strategy	✓
		Advocate to State Government for decentralisation of State Government Services	Urban Strategy	✓
		Advocate to Federal Government for a strategic rollout of National Broadband Network	Urban Strategy	✓
6.2	Improve the future employability, literacy and prosperity of young people	Advocate to government for increased funding for expanded kindergarten services	Family and Youth	✓
		Engage parents in the health, wellbeing and literacy development of their children	Libraries & Learning	✓
		Advocate for and support the development of post-secondary education opportunities	Urban Strategy	✓
6.3	Enhance the image and reputation of Frankston	Enhance presentation of the municipality, including:	Urban Strategy	✓
		- 'Signature lighting along Nepean Hwy	Urban Strategy	✓
		- Standard 'Frankston City' Signage	Urban Strategy	✓
		- Promote Frankston City strengths and attractions	Events & Marketing and Media & Communications	✓
		Encourage more high quality short-stay accommodation facilities in Frankston City	Urban Strategy	✓
Attract major events to the city that provide social and economic impact and promotion, including: Ironman, Sandsculpting and BMX State Titles	Events & Marketing & Urban Strategy	✓		

Key strategic activities

Strategic Activity	Performance Measure	Performance Target
Identify and attract new business and investment to Frankston	Number of actions in the Frankston Investment Attraction Action Plan commenced	16 actions in the Frankston Investment Attraction Action Plan commenced by June 2013

4.7 Performance Statement

The Key Strategic Activities (KSA), detailed in the preceding pages, are summarised in Appendix G. The KSA's, their performance measures, targets and results are audited at the end of the year and are included in the Performance Statement as required by section 132 of the Act. The Annual Report for 2012/13 will include the audited Performance Statement which is presented to the Minister for Local Government and the local community.

Budget Analysis

5. Analysis of Operating Budget

This section of the Annual Budget analyses the expected revenues and expenses of the Council for the 2012/13 year.

5.1 Summary of Budgeted Operating Statement

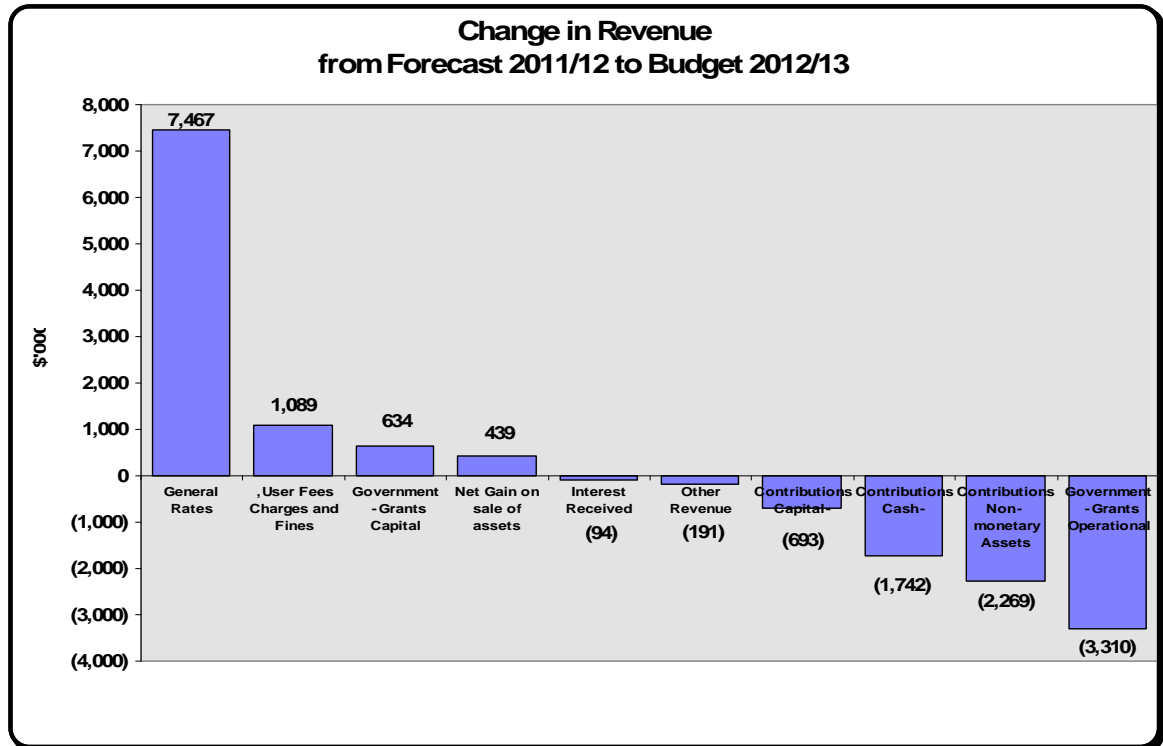
Description	2011/12 Forecast \$'000	2012/13 Budget \$'000	Variance \$'000
Revenue	(119,145)	(124,105)	(4,961)
Expenditure	116,726	122,678	5,952
Sub-Total - Underlying Outcome	(2,419)	(1,428)	991
Revenue	(11,425)	(7,355)	4,070
Superannuation Call-Up		6,500	6,500
Loss/(Gain) on disposal of assets	474	35	(439)
(Surplus)/Deficit for the year	(13,370)	(2,248)	11,122

Source: Appendix A

The decreased operating surplus between forecast 2011/12 and budget 2012/13 is due to revenue growing by \$0.891M compared to operational expenditure growth of \$12.013M. Key areas of revenue growth are rates and charges \$7.467M. Operating expenditure has increased by 10% due mainly to the provision of Council's Superannuation Call-Up liability \$6.500M. Council has also been advised in late 2011/12 of the advance payment of 2012/13 Victoria Grants Commission funding of \$2.250M and Council is making an assumption that this will continue into the future; however this could be reversed at any time. It is noteworthy that a comprehensive review of the operating budget by management has identified efficiencies of \$895K for 2012/13.

5.2 Operating Revenue

Revenue Type	Notes	2011/12 Forecast \$'000	2012/13 Budget \$'000	Variance \$'000
General Rates and Garbage Charges	1	(81,443)	(88,910)	(7,467)
User Fees, Charges and Fines	2	(14,128)	(15,217)	(1,089)
Government Grants - Operational	3	(21,481)	(18,171)	3,310
Interest Received	4	(1,738)	(1,644)	94
Other Revenue	5	(355)	(164)	191
Total Operating Revenue before Capital		(119,145)	(124,105)	(4,961)
Government Grants - Capital	6	(5,117)	(5,751)	(634)
Contributions - Capital	7	(743)	(50)	693
Contributions - Non monetary Assets	8	(3,069)	(800)	2,269
Contributions - Cash	9	(2,496)	(754)	1,742
Total Revenue		(130,570)	(131,460)	(891)



Notes:

1. General Rates - \$88.910M (\$7.467M increase)

The 2012/13 Annual Budget proposes an increase in base rates of **4.66%**.

Supplementary rates, for new rateable assessments or properties completing improvement works during the financial year, are forecast to provide \$0.737M in rate revenue during 2012/13. Section 11, "Rating Strategy" provides a detailed analysis of the rates and charges to be levied for 2012/13.

2. User Fees, Charges and Fines - \$15.217M (\$1.089M increase)

Fees, Charges and Fines relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services. The principal sources of fee income arise from services such as Child Care, Pre-Schools, Recreational Facilities, Home Care, Planning, Animal Registrations and Health Registrations. The increase in fees and charges income is mainly due to increases in Pet Registration Fees and Pound Release Fees (\$0.306M increase), increases in Golf Course Fees (\$0.103M increase), income relating to 4 yearly Councillor election (\$0.120M increase) and sale of valuations occurs bi-annually (\$0.260M increase).

Description	Forecast 2011/12 \$'000	Budget 2012/13 \$'000	Variance \$'000
Compliance and Safety	(4,296)	(4,589)	(293)
Parks and Leisure	(2,704)	(2,949)	(245)
Arts Centre	(1,939)	(1,762)	177
Planning	(946)	(1,047)	(101)
Family and Youth	(982)	(975)	7
Aged Services	(792)	(881)	(89)
Infrastructure	(528)	(442)	86
Libraries and Learning	(171)	(226)	(55)
Other Fees and Charges	(1,770)	(2,346)	(576)
Total Fees and Charges	(14,128)	(15,217)	(1,089)

A detailed listing of fees and charges is included as Appendix F to this report.

3. Grants - Operating – \$18.171M (\$3.310M decrease)

Operating grants are received from State and Federal governments for the purposes of funding the delivery of Council's services. Operating grants included in the 2012/13 Annual Budget is projected to decrease by \$3.310M compared to 2011/12 forecast. Included in this amount is grants received from the Victorian Grants Commission. This is a general purpose grant that is not tied to specific programs, and includes a component for roads maintenance. The 2012/13 annual Budget amount is based on an estimated increase in grant funding of 1.00% with formal notification of the funding level not yet received.

The Commonwealth Government pay in advance (to the Victorian Grants Commission) a quarter of Council's future years grants commission allocation in the prior financial year which has occurred for the past four financial years. Recently, the Commonwealth Government announced that an additional quarter of the annual grant for 2012/13 will be paid to Council in advance to assist in their cash flow position during the year totalling \$4.500M.

There is no guarantee that these advance payments will be made in future years, and should the view of the Federal Government change on this issue, Council's budget will have a \$4.500M shortfall in its grant fund expectations.

A safer financial management approach is to include the recent quarter advanced payment as an unexpended grant at balance date and therefore restrict part of the surplus achieved to bring this quarter of funding into the correct financial year. By utilising such an approach, should the advance payment method ever change, Council is then protected from any financial shock that would occur very late in the financial year without the ability to take remedial action.

A summary of the operational grants to be received by Frankston City Council is provided below.

Description	Forecast 2011/12 \$'000	Budget 2012/13 \$'000	Variance \$'000
Victoria Grants Commission	(10,945)	(8,766)	2,179
Aged Services	(4,442)	(4,425)	17
Family & Youth	(3,964)	(3,636)	328
Libraries and Learning	(773)	(784)	(11)
Community Development	(282)	(234)	48
Compliance & Safety	(718)	(149)	569
Environment	(54)	(5)	49
Other Grants & Carry Forwards	(303)	(172)	131
Total Grant Funding	(21,481)	(18,171)	3,310

4. Interest - \$1.644M (\$0.094M decrease)

Interest earnings relate to proceeds from cash investments or interest charges levied as a penalty for late rate payments.

Interest revenue in the 2012/13 Annual Budget is projected to decrease compared to 2011/12 forecast due to falling interest rates and a reduction in the amount of funds invested.

5. Other Revenue - \$0.164M (\$0.191M decrease)

Other revenue in the 2012/13 Annual Budget is projected to be \$0.164M. The decrease is mainly due to a fall in Work Cover reimbursements.

6. Grants - Capital - \$5.751M (\$0.634M increase)

Capital grants are funds received from State and Federal governments to fund specific capital projects. Overall the level of capital grants in the 2012/13 Annual Budget has increased by \$0.634M compared to 2011/12 due to the following capital works projects for 2012/13.

Significant grants included in the 2012/13 Budget are:

- State Government funding for Regional Aquatic Centre \$3,250,000
- State Government funding for Carrum Downs Learning Centre \$1,297,200
- Commonwealth Roads to Recovery Funding \$484,000
- Funding for Central Activity Development Streetscapes \$500,000

7. Contributions – Capital - \$0.050M (\$0.693M decrease)

Contributions for capital works in the 2012/13 Annual Budget has decreased by \$0.693M from the 2011/12 forecast primarily due to a reduction in the number of capital works projects being undertaken in 2012/13.

Revenues from this income stream are closely linked to the projects that are included in the capital works program.

8. Non-monetary Assets - \$0.800M

Granted assets are assets which transfer to Council from property developers at the completion of subdivisional work. The assets generally consist of land used for public open space or infrastructure assets. Council recognises these new assets at 'fair value'. No cash is transferred but the fair value of the assets is recorded as revenue.

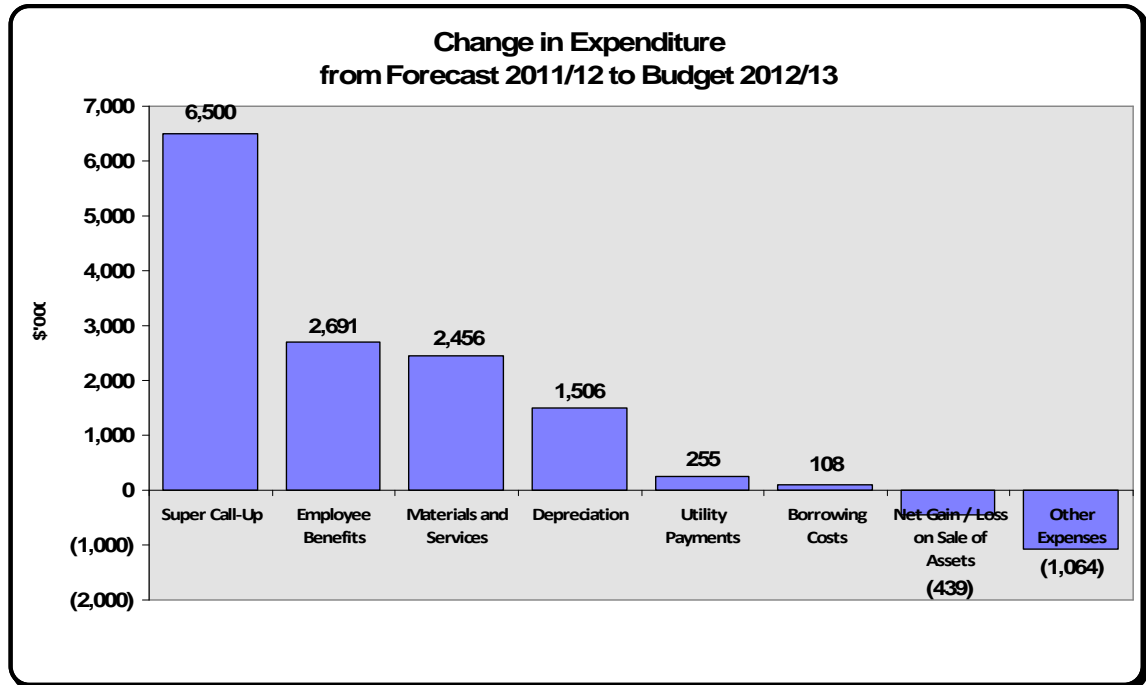
9. Cash Contributions \$0.754M (\$1.742M decrease)

Contributions are charges paid by developers in regard to recreational lands, drainage and car parking in accordance with planning permits issued for property development.

Contributions in the 2012/13 Annual Budget are projected to decrease by \$1.742M compared to 2011/12 forecast due to the completion of property developments within the municipality during the 2012/13 year.

5.3 Operating Expenditure

Expenditure Type	Notes	2011/12 Forecast \$'000	2012/13 Budget \$'000	Variance \$'000
Employee Benefits	1	52,090	54,781	2,691
Superannuation Call-Up	2		6,500	6,500
Materials and Services	3	32,046	34,502	2,456
Utility Payments	4	2,785	3,040	255
Borrowing Costs	5		108	108
Depreciation	6	22,813	24,319	1,506
Net (Gain)/Loss on sale of assets	7	474	35	(439)
Other Expenses	8	6,992	5,928	(1,064)
Total Operating Expenses		117,200	129,213	12,013



Notes:

1. Employee benefits – \$54.781M (\$2.691M increase)

Employee costs include all labour related expenditure inclusive of oncosts such as WorkCover insurance, superannuation, leave loading and Long Service Leave entitlements. These costs are largely driven by Council’s Enterprise Agreement No 6 2010 which commenced a new three year term until 17 January 2013. As the new agreement has not yet been negotiated, a 4% increase similar to previous years has been used.

Employee costs are forecast to increase in the 2012/13 Annual Budget by \$2.691M compared to 2011/12. This increase relates to a number of key factors:

- Award and Enterprise Agreement increments.
- The increase also reflects the Council decision to bring the maintenance of the CAD back in-house using Council staff rather than contractors. (2011/12 only reflected part of the year)

2. Superannuation Call-Up - \$6.500M (\$6.500M increase)

Included in the salaries forecast to 2012/13 is a payment of \$6.5M to Vision Super in respect of Council’s obligations towards Defined Benefits Plan members. Council has been advised that Council will be called upon to fund a call from Vision Super to address an unfunded gap in the defined benefits superannuation scheme. At the time of the development of the 2012/13 Budget, the level of the contribution was unknown. Based on broad scale assessments provided by Vision Super, an expense of \$6.500M has been included in the 2012/13 Budget with payment due on 1 July 2013.

3. Materials and Services - \$35.252M (\$2.456M increase)

External contract costs relate to the provision of Council services by external providers. External contracts are forecast to increase by \$2.456M in the 2012/13 Annual Budget compared to the 2011/12 forecast, primarily due to:

- Waste management – increased substantially due to the State Government land-fill levy and the estimated impact of the carbon price associated with the disposal of domestic waste. Council has also increased the level of the hard waste collection service by increasing the amount that can be collected with the aim of reducing the amount of dumped rubbish across the municipality. Council's increase costs of waste collection have been recovered via the annual garbage charge. The levy is currently \$44 per tonne and is expected to increase to \$53.20 per tonne in 2012/13.
- Building maintenance costs have increased substantially with the cost increase rising by \$0.169M in 2012/13.

4. Utilities - \$3.040M (\$0.255M increase)

The utility expense represents payments for water, electricity and gas. The non-waste aspects of the carbon tax include a direct cost for Council in higher electricity and gas prices which have added \$0.450M to the cost base of Council. These costs have been included within the Utilities section of the budget. The movement from 2011/12 to 2012/13 in Utilities does not appear to reflect this due to facilities not continuing to be utilised e.g. Lakewood child care and Lewis St. Also many utility efficiencies have been introduced which has meant that this cost area has offset part of the carbon tax impacts.

5. Borrowing Costs - \$0.108M increase

Finance costs relate to interest charged by financial institutions on funds borrowed. Interest expense is budgeted to be \$0.106M reflecting proposed new borrowing arrangements in 2012/13 to fund capital works projects.

6. Depreciation - \$24.319M (\$1.506M increase)

Depreciation relates to the usage of Council's property, plant and equipment and infrastructure assets including roads and drains. It is an accounting measure which attempts to allocate the value of an asset over its useful life. The increase of \$1.530M for 2012/13 is due mainly to the completion of the 2012/13 capital works program and the full year effect of depreciation on the 2011/12 capital works program. Refer to section 6. 'Analysis of Capital Budget' for a more detailed analysis of Council's capital works program for the 2012/13 year.

7. Net (Gain)/Loss on sale of assets - \$0.035M (\$0.439M decrease)

Proceeds from the sale of Council's assets is forecast to be \$0.035M for 2012/13 and relate mainly to the planned cyclical replacement of part of the heavy plant and vehicle fleet \$1.078M and minor land sales of \$15,000 subject to Council resolution. The decrease is related to no planned sales for Land or Buildings in 2012/13. The written down value of assets sold is forecast to be \$1.571M.

9. Other Expenses - \$5.928M (\$1.064M decrease)

Other expenses relate to a range of unclassified items including contributions to community groups, advertising, insurances, motor vehicle registrations and other miscellaneous expenditure items. Other expenses are forecast to decrease by 15% or

\$1.064M compared to 2011/12 due mainly to funds for legal costs for the Stevenson's Road matter have reduced and various operational efficiencies have been identified.

5.4 Underlying Result

Underlying Result	2011/12 Forecast \$'000	2012/13 Budget \$'000	Variance \$'000
(Surplus) deficit for the year	(13,370)	(2,248)	11,122
Underlying (surplus) deficit	(2,419)	(1,428)	991

The underlying result is the net surplus or deficit for the year adjusted for capital contributions, capital grants, gains or losses on disposal of non-operating assets sold and other once-off adjustments. The underlying result is a measure of financial sustainability as it is not impacted by non-recurring or once-off items of revenues and expenses which can often mask the operating result.

6. Analysis of Capital Budget

This section of the report analyses the planned capital expenditure budget for the 2012/13 year and the sources of funding for that program.

6.1 Capital Works Expenditure

A full listing of capital works projects is contained in Appendix C.

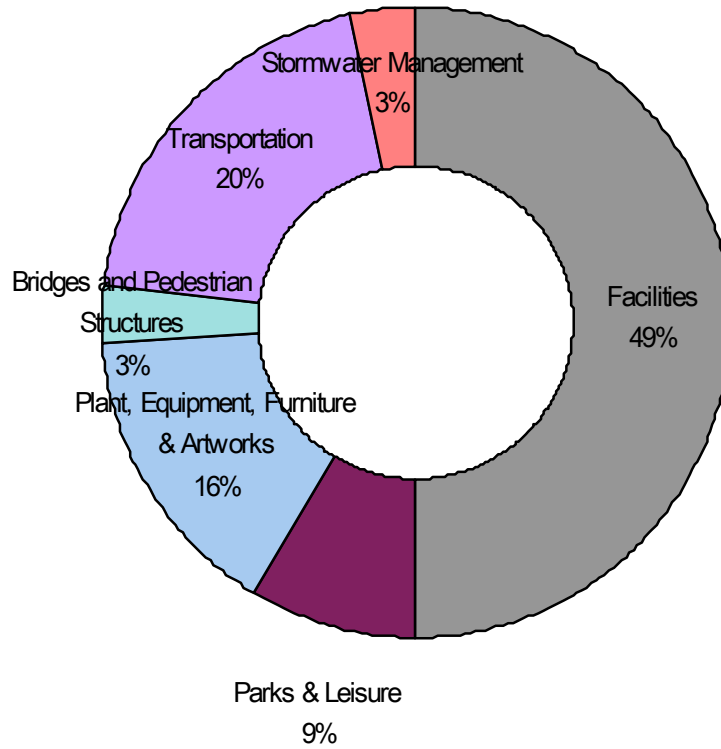
Capital Works Expenditure	Notes	2011/12 Forecast \$'000	2012/13 Budget \$'000	Variance \$'000
Bridges and Pedestrian Structures		122	1,020	898
Facilities		15,218	17,469	2,251
Parks & Leisure		3,739	2,979	(760)
Plant, Equipment, Furniture & Artworks		5,768	5,439	(329)
Transportation		9,044	6,863	(2,181)
Stormwater Management		876	1,200	324
Carried Forward Projects		8,806		(8,806)
Total Capital Works Expenditure		43,573	34,970	(8,603)
Represented by:				
Asset Renewal	1	15,832	16,704	872
Upgrade	2	7,603	4,143	(3,460)
Major Project	3	1,795	10,518	8,723
Expansion		102	90	(12)
New Assets	4	9,435	3,515	(5,920)
Carried Forward Projects		8,806		(8,806)
Total Capital Works Type		43,573	34,970	(8,603)

Source: Appendix A

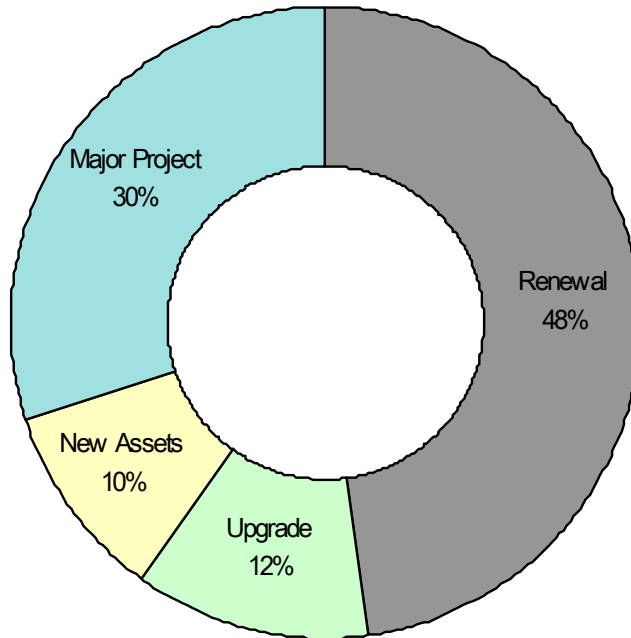
A detailed listing of all projects that comprise the above totals of expenditure for the various asset groupings is included as Appendix C. Whilst the total expenditure is noteworthy, the table below highlights the source of funds for the various total expenditure amounts. It highlights that funding from Rate revenue for capital expenditure in 2012/13 is estimated at \$20.477M.

Asset Groupings	2012/13 Budget \$'000	Rate Funding \$'000	Grants & Cont. \$'000	Reserves \$'000	Loans & Sale of Assets \$'000
Bridges and Pedestrian Structures	1,020	1,020			
Facilities	17,469	7,256	4,284	5,928	
Parks & Leisure	2,979	2,135		844	
Plant, Equipment, Furniture & Artworks	5,439	3,218	1,427		794
Transportation	6,863	5,708		77	1,078
Stormwater Management	1,200	1,110	90		
Total Funding Sources	34,970	20,447	5,801	6,849	1,872

Budgeted total capital works 2012/13



Budgeted total capital works 2012/13 by type



Notes:**1. Asset Renewal - \$16.704M (\$0.872M increase)**

The 2012/13 Budget provides for a \$0.872M increase in asset renewal funding from the 2011/12 forecast expenditure amount. The table below highlights the level of funds applied to the various areas of renewal.

Asset Renewal Category	Forecast 2011/12 \$'000	Budget 2012/13 \$'000	Variance \$'000
Bridges and Pedestrian Structures	352	851	499
Transportation	4,594	5,056	462
Facilities	4,726	4,381	(345)
Parks & Leisure	1,707	1,780	73
Stormwater Management	244	658	414
Plant, Equipment, Furniture & Artworks	4,209	3,978	(231)
Total	15,832	16,704	872

Budget for 2011/12 was \$16.643M and the forecast has decreased to \$15.832M. When comparing budget figures, the asset renewal spending has increased marginally, however should be increasing to \$18.938 (13.8%) in 2012/13 to maintain the required spend. Asset Renewal funding has been reduced by \$1.5M in 2012/13 and 2013/14 as a short term funding mechanism for the Frankston Regional Aquatic Centre. The long term financial plan ensures that the asset renewal spending is brought back to the required level of spending in 2014/15 and 2015/16 to eliminate any asset renewal gap.

2. Asset Upgrade - \$4.143M (\$3.460M decrease)

For the 2012/13 year, \$4.143M will be expended on Upgrades to Infrastructure projects. The more significant projects are:

Pedestrian

- St Ives Avenue to Overport Park Pedestrian Bridge Construction - \$60,000 (plus \$140,000 Renewal)
- Frankston Foreshore - Landmark Bridge - Cathodic Protection - \$30,000 (plus \$120,000 Renewal)
- Armstrongs Road Bridge Upgrade - \$49,000 (plus \$21,000 Renewal)

Facilities

- Community House for the South West Ward - \$200,000
- Frankston Aboriginal Gathering Place - \$100,000
- Frankston Yacht Club Redevelopment - \$50,000 (plus \$50,000 Renewal)
- Energy and water efficiencies - \$75,000 (plus \$75,000 Renewal).

Parks and Leisure

- Regional Baseball/Softball Facility - Robinsons Road, Frankston South - \$480,000 (plus \$720,000 Renewal);
- Samuel Sherlock Reserve - relocate existing YCW Club - \$98,000 (plus \$147,000 Renewal);
- Scouts and Guide Halls Renewal and Upgrade - \$4,000 (plus \$16,000 Renewal)
- Baxter Park Pavilion Septic System Extension - \$25,000
- Expansion of Frankston District Basketball Association - \$20,000;

- Pines Forest Aquatics Centre Redevelopment Planning - \$60,000 (plus \$60,000 Renewal);
- Frankston Bowling Club Disability Upgrade & Renewal - \$42,000 (plus \$78,000 Renewal);
- Frankston Park Master Plan - Dolphins Function Centre - \$200,000 (plus \$100,000 Renewal);
- Keast Park - Masterplan Implementation - \$52,600;
- Kananook Creek Corridor - Management Plan implementation - \$35,100 (plus \$58,500 Renewal and \$23,400 New).
- Shaxton Circle Improvements - \$50,000
- Frankston Tip Risk Management Strategy Implementation - \$57,600 (plus \$134,400 Renewal)
- George Pentland Botanic Gardens - Masterplan Implementation - \$52,500 (plus \$122,500 Renewal)
- Beauty Park - Masterplan Implementation - \$20,000 (plus \$20,000 Renewal)
- Skye Football Club Sports Lighting Upgrade - \$30,000 (plus \$30,000 Renewal)
- Belvedere Reserve Precinct Plan Implementation - \$30,000 (plus \$30,000 Renewal)
- Skye Reserve - Masterplan Implementation - \$258,000
- Sporting Ground - Irrigation and Drainage Upgrades - \$50,000
- Playground Improvements/Demolition - \$10,000 (plus \$30,000 Renewal)

Arts and Library Facilities

- Frankston Arts Centre - Technical Equipment Upgrade & Replacement - \$40,000 (plus \$40,000 for Renewal).

Civic Centre and Operations Centre Facilities

- Provision of upgrades to the civic centre and operations centre facilities including regulatory compliance - \$296,500 (plus \$508,500 Renewal).

Information Technology

- Upgrade and enhancements of software systems - \$322,400 (plus \$690,600 Renewal).

Drainage

- Upgrade of a number of drainage systems and outlet improvements - \$478,000 (plus \$662,000 Renewal).

Roads

- Bicycle Path Safety Upgrades - \$70,000;
- Greenlink Strategy - Integrated streetscape, road & drainage renewal - \$217,000 (plus \$210,000 Renewal);
- Neighbourhood Streetscapes Program - \$20,000 (plus \$20,000 Renewal)
- CAA Streetscapes Program - \$362,500 (plus \$517,500 Renewal)

3. Major Projects - \$10.518M

The major project for 2012/13 is the Frankston Aquatic Centre, the development of a major regional aquatic and leisure facility within the City of Frankston, located on Cranbourne Road at the Samuel Sherlock Reserve. The cost of the project is estimated at \$47.000M with grant funding of \$13.500M from the Federal Government, \$12.500M from the State Government, \$15.000M from loan borrowings and \$6.000 from cuts in asset renewal spending and capital works projects over the 2012/13 and 2013/14 financial years.

Carrum Downs Early Learning and Care Centre will commence construction in 2012/13 including a new Pre-School and Maternal Child Health Centre facility. The cost of the project is estimated at \$3.1M with grant funding of \$1,297M received from the State Government.

4. New Assets - \$3.515M (\$5.920M decrease)

For the 2012/13 year, \$3.515M will be expended on New Infrastructure projects. The more significant projects are:

Facilities

- Men's Shed, Langwarrin - \$100,000
- Provision of fully facilitated public toilets - \$260,000

Parks and Leisure

- Provision of playgrounds including Jubilee Park - \$185,000 (plus \$160,000 Renewal)
- Sandfield Reserve Skate Facilities Development - \$227,000
- Transfer Station/Drainage Discharge Facility - \$100,000
- Lloyd Park - Masterplan Implementation - \$21,000
- Parks Level of Service Improvements - \$40,000 (plus \$140,000 Renewal)
- Kananook Creek Corridor - Management Plan implementation - \$23,400 (plus \$58,500 Renewal)
- Shade Structures - \$20,000

Artworks

- Central Activity District Public Artworks - \$30,000.
- Municipal Public Artworks - \$150,000.

Transportation

- McCulloch Avenue Boardwalk - \$30,000
- City Wide Pathway and Cycle Way Plan Development - Special Charge Scheme - \$650,000;
- CAA Streetscapes - \$120,000 (plus \$537,500 renewal).
- Frankston-Flinders Road service road reseal and car parking- \$80,000 (plus \$120,000 Renewal);
- Retaining Wall Construction - McClelland Drive and Edward Street, Langwarrin - \$90,000;
- Identity Signage for Carrum Downs Industrial Precinct – \$20,000
- Local Area Traffic Management (LATM) - \$108,000 (plus \$420,000 Renewal)

Sustainable Water

- Construction of an easement drain at Sycamore Street, Langwarrin - \$60,000

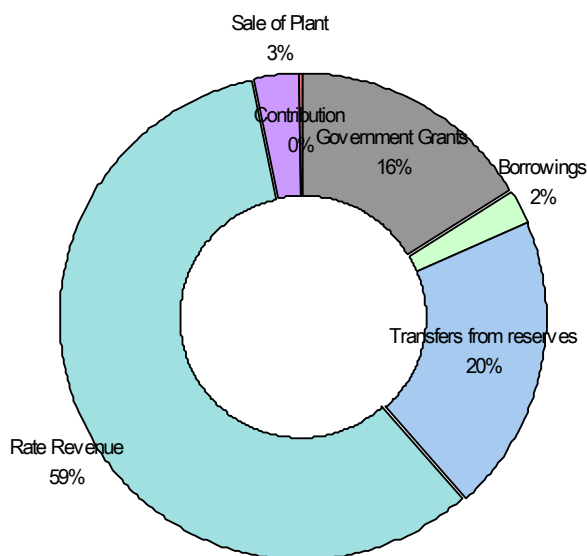
Plant & Equipment

- Safe City Surveillance System "CCTV Camera Program" - \$97,750 (plus \$17,250 Upgrade)
- Asset Management Information System - \$343,000
- Plant & Equipment including vehicles \$401,000

6.2 Capital Works Funding Sources

Capital Works Source of Funds	Notes	2011/12 Forecast \$'000	2012/13 Budget \$'000	Variance \$'000
External				
Grants - Capital	1	2,288	5,751	3,463
Sale of Plant	2	1,077	1,078	1
Loan Borrowings	3		794	794
Contributions - Capital	4	723	50	(673)
Sub total		4,088	7,673	3,585
Internal				
Reserve Funds	5	3,801	6,850	3,049
Rate Revenue	6	32,819	20,447	(12,372)
Carried forwards		2,865		(2,865)
Sub total		39,485	27,297	(12,188)
Total Capital Works Funding		43,573	34,970	(8,603)

Budgeted total funding sources 2012/13



Notes:**1. Grants – Capital - \$5.751M (\$3.463M increase)**

Capital grants are funds received from State and Federal Governments for the purposes of funding capital works.

Significant grants included in the 2012/13 Budget are:

- State Government grant to fund contribution towards the Frankston Regional Aquatic Centre \$3,250,000
- Funding for Carrum Downs Early Learning and Care Centre \$1,297,200
- Commonwealth Roads to Recovery Funding \$484,000
- Funding for Central Activity Development Streetscapes \$500,000

2. Proceeds from Sale of Plant - \$1.078M (\$0.065M decrease)

Proceeds from sale of assets comprise of the sale of heavy plant and motor vehicles in accordance with Council's plant replacement policy.

3. Loan Borrowings - \$0.794M (\$0.794M increase)

In 2012/13 Budget includes proposed borrowings of \$0.794M for the Frankston Regional Aquatic Centre (FRAC) of \$0.694M and Frankston Yacht Club Redevelopment of \$0.100M.

4. Contributions - \$0.050M (\$0.692M decrease)

Contributions represent contributions by developers and other parties in relation to capital works.

5. Reserve Funds – \$6.850M (\$3.049M increase)

The 2012/13 Budget utilises available Reserve funds for the funding of various capital projects and operational initiatives, including the following significant applications:

- Frankston Regional Aquatic Centre - \$5.277M received from State Government as grant income in prior years.
- General Land Acquisitions - \$0.200M to be funded from Strategic Projects Reserve.
- Greenlink Strategy - \$0.077M to be funded from Public Resort and Recreation Reserve.
- Frankston Park Master Plan - Dolphins Function Centre - \$0.300M funded from grant funding received in prior year.
- Garden Bed - Retaining Walls - \$0.039M funded from Public Resort and Recreation Reserve.
- Energy and Efficiency Program - \$0.152M funded from grant funding received in prior year.
- Playground Strategy Implementation - Local Parks - New/Upgrade - \$0.135M funded from Public Resort and Recreation Reserve.

- Parks Service Improvements - Levels of service - \$0.200M to be funded from Public Resort and Recreation Reserve.
- Native Vegetation Offsets - \$0.096M to be funded from Native Vegetation Reserve.
- Park Management Implementation - \$0.095M funded from Public Resort and Recreation Reserve.
- Skye Reserve - Masterplan Implementation - \$0.258M funded from Public Resort and Recreation Reserve.
- Lloyd Park Masterplan Implementation - \$0.021M funded from Public Resort and Recreation Reserve.

6. New Rate funding applied to capital works - \$20.447M (\$12.372M decrease)

Council's funding of capital works from rate revenue has decreased by \$12.372M in the 2012/13 Budget due mainly to Council needing to re-establish sustainable cash funds.

7. Analysis of Budgeted Cash Position

This section of the report analyses the expected cash flows from the operating, investing and financing activities of Council for the 2012/13 year i.e. the budgeted cash flow position. Budgeting cash flows for Council is a key factor in setting the level of rates and providing a guide to the level of capital expenditure that can be sustained with or without using existing cash reserves.

The analysis is based on three main categories of cash flows:

- **Operating activities** – Refers to the cash generated or used in the normal service delivery functions of Council. Cash remaining after paying for the provision of services to the community may be available for investment in capital works, or repayment of debt.
- **Investing activities** - Refers to cash generated or used in the enhancement or creation of infrastructure and other assets. These activities also include the acquisition and sale of other assets such as vehicles, property, plant and equipment.
- **Financing activities** – Refers to the cash generated or used in the financing of Council functions and include proceeds from and repayment of borrowings from financial institutions.

7.1 Budgeted Cash Flow Statement

Budgeted Cash Flow	Notes	2011/12 Forecast \$'000	2012/13 Budget \$'000	Variance \$'000
Net Cash Flow from Operating Activities	1	40,098	25,951	(14,146)
Net Cash Flow from Financing Activities	2		19,536	19,536
Net Cash flow from Investing Activities	3	(42,476)	(32,377)	10,099
Net Increase/(Decrease) in cash held		(2,378)	13,111	15,489
Cash at beginning		15,644	13,266	(2,378)
Cash at end of Year		13,266	26,376	13,111
Represented by:				
Reserve Funds		14,137	15,857	1,720
Employee Entitlements		6,070	6,344	273
Trust Funds		1,515	1,590	75
Victoria Grants Commission Payment in Advance		2,250	2,250	
Unrestricted Cash		(10,707)	335	11,042
Total		13,266	26,376	13,111

Source: Appendix A

Notes:

1. Operating Activities (\$14.146M decrease)

The decrease in net cash inflows from operating activities is due mainly to increases in employee costs and defined benefits superannuation payout (\$9.191M), decrease in operational and capital grants (\$7,676M), reduction in anticipated gifted assets income (\$1.933M), partially offset by increase in rates and waste charges (\$7,467M).

The net cash flows from operating activities does not equal the operating result for the year as the expected revenues and expenses of the Council include non-cash items which have been excluded from the Cash Flow Statement.

2. Financing activities (\$19.536M increase)

The increase in net cash inflows from financing activities of \$19.536M is primarily due to Council borrowing funds for future capital works expenditure.

3. Investing activities (\$10.099M decrease)

The decrease in net cash outflows from investing activities of \$10.099M is primarily due to the decrease in capital works expenditure of \$10.103M.

7.2 Restricted and unrestricted cash (working capital)

The cash flow statement above indicates that Council is estimating at 30 June 2013 it will have cash and cash equivalents of \$26.376M which has been restricted as follows:

- Statutory reserves (\$5.666M) – These funds must be applied for specified purposes in accordance with various legislative and contractual requirements. Whilst these funds earn interest revenues for Council, they are not available for other purposes.
- Discretionary reserves (\$10.191M) – Discretionary Reserves are funds set aside by Council for a specific purpose but not protected by statute.
- Employee Entitlements – Annual Leave and Gratuities (\$6.344M) – These funds are separately identified as restricted to ensure there is sufficient funds to meet Council's obligations for Long Service Leave, Annual Leave and Gratuities payments.
- Council has also been advised in late 2011/12 of the advance payment of 2012/13 Victoria Grants Commission funding of \$2.250M and Council is making an assumption that this will continue into the future; however this could be reversed at any time.
- Unrestricted cash deficit (Working capital \$0.335M) – These funds are required for Council to meet daily cash flow requirements.

7.3 Reserve fund balances for 2012/13

The table below highlights Council's Reserve funds and the projected balance at 30 June 2013.

Projected Reserve Balances	Budget Jul-12		Transfers		Budget Jun-13 Closing Balance
	Opening Balance	Transfers To Reserve	From Reserve		
Public Resort & Recreation	3,473,400	549,582	(748,000)		3,274,982
Native Vegetation	952,798	204,000	(96,000)		1,060,798
Revolving Energy Fund	117,929	50,000	0		167,929
Infrastructure Reserve	107,206	0	0		107,206
Strategic Projects Reserve	277,568	10,015,000	(200,000)		10,092,568
Aquatic Recreation Facility	5,835,263	0	(5,277,437)		557,826
Other Reserves	105,505	0	0		105,505
Unexpended Grants Reserve	3,267,738	0	(2,778,316)		489,422
Totals	14,137,407	10,818,582	(9,099,753)		15,856,236

8. Analysis of Budgeted Financial Position

This section of the Annual Budget report analyses the movements in assets, liabilities and equity between the 2011/12 Forecast and the 2012/13 Annual Budget.

8.1 Budgeted Balance Sheet

Budgeted Balance Sheet				
	Notes	2011/12 Forecast \$'000	2012/13 Budget \$'000	Variance \$'000
Assets				
Current	1	28,289	42,121	13,831
Non Current	2	1,279,243	1,332,601	53,359
Total Assets		1,307,532	1,374,722	67,190
Liabilities				
Current	3	(20,852)	(23,818)	(2,966)
Non Current	4	(1,137)	(18,626)	(17,489)
Total Liabilities		(21,989)	(42,444)	(20,455)
Net Assets				
		1,285,543	1,332,279	46,735
Equity				
Accumulated Surplus		(554,780)	(555,307)	(528)
Reserves		(730,764)	(776,972)	(46,208)
Total Equity	5	(1,285,543)	(1,332,279)	(46,735)

Source: Appendix A

Notes:

1. Current assets (\$13.831M increase)

Current assets include cash and investments, receivables, which include outstanding rate arrears. The increase in current assets is primarily due to an increase in cash due to \$19M loan borrowings.

2. Non-current assets (\$53.359M increase)

Non-current assets represent councils fixed assets in plant, fleet, and infrastructure assets such as land, buildings, roads, drains and footpaths. The increase in non-current assets reflects the increased capital works program, non-monetary assets less depreciation of non-current assets and the disposal of non-current assets through the sale of property, plant and equipment.

3. Current liabilities (\$2.966M increase)

Current liabilities include annual leave and long service leave entitlements, trust monies, loans and payables to suppliers. The increase in current liabilities, which represent obligations that Council must pay within the next year primarily relates to increases in interest bearing loans (\$2.099M), leave provisions (\$0.477M) and trade payables (\$0.315M)

4. Non-current liabilities (\$17.489M increase)

The increase in non-current liabilities, which represents obligations that Council must pay beyond the next year, is primarily due to the take up of loan borrowings (\$17.437M) and a minimal increase of employee entitlements.

5. Equity (\$46.735M increase)

The net increase in equity or net assets of \$46.735M results directly from the 2012/13 financial year budgeted net operating surplus.

9. Impact of current year (2011/12) on the 2012/13 Budget

This section of the report highlights the impact that outcomes in 2011/12 have had on the 2012/13 Annual Budget. The figures utilised in this section adjust the net operating result calculated in accordance with accounting standards to include cash costs such as capital works and exclude non-cash transactions such as depreciation to reach an underlying accounting result.

The table below illustrates that Council is forecasting to complete 2011/12 with an accumulated cash deficit outcome of \$6.875M. Council is budgeting for a \$4.365M accumulated cash surplus due to a reduction of capital expenditure and proceeds from loan borrowings.

Description	2011/12 Forecast \$'000	2012/13 Budget \$'000	Variance \$'000
(Surplus) deficit for the year	(13,370)	(2,248)	11,122
Add back Non-Cash Items:			
Depreciation	(22,813)	(24,319)	(1,506)
Granted Assets	3,069	800	(2,269)
Written Down Value of Assets	(1,571)	(1,128)	443
Subtotal	(21,315)	(24,647)	(3,332)
Less Non-Operating Cash Items:			
Capital Expenditure	(43,573)	(33,470)	10,103
Transfers (to)/from Reserves	(1,433)	(1,720)	(287)
Proceeds from Borrowing		19,573	19,573
Debt Redemption		(37)	(37)
Subtotal	(45,006)	(15,654)	29,352
Cash (Surplus)/Deficit for year	10,321	(11,241)	(21,562)
Accumulated Cash (Surplus)/Deficit at start of the year	(3,446)	6,875	10,321
Cash (Surplus)/Deficit for year	10,321	(11,241)	(21,562)
Accumulated Cash (Surplus)/Deficit	6,875	(4,365)	(11,241)

Long Term Strategies

Council is required by the Local Government Act to develop a Strategic Resource Plan which includes an indicative four year budget. Sections 10 to 13 of this budget (set out on the following pages) explain a possible long term financial plan. However it should be noted that this draft has not been adopted by Council and the indicative rating and debt strategies it contains have not been endorsed by Council.

During the next four years, Council will face considerable pressure on its financial position particularly in the face of ongoing cost-shifting by State and Federal Governments in addition to the reduction in State and Federal Government grants to the entire Victorian local government sector that is predicted over the coming years. This will push all Victorian councils to consider greater reliance on rates to fund existing and new services and programs. After assessing the future financial pressures placed upon Council by these trends, Frankston Council undertakes to publicly release the longer term direction of its rates and potential loan borrowings by the end of this calendar year.

10. Long Term Financial Plan and Key Financial Indicators

10.1 Plan Development

The key objective of the Council's current draft Long Term Financial Plan (LTFP) is to establish a financial framework that ensures that Frankston City Council can reach a position of financial sustainability in the medium to long-term. The key financial objectives that underpin the LTFP are:

- An increased ability to fund asset renewal requirements
- An enhanced funding level for capital works in general
- Progressing Council towards a position of financial sustainability in the long-term
- Achievement and maintenance of Operating Statement underlying surpluses whilst maintaining the provision of operational services that respond to the needs of the Frankston community
- Rate and fee increases that are both manageable and sustainable

Council always remains mindful of the need to comply with the following principles of sound financial management as outlined in the Local Government Act 1989 which:

- Prudently manage the financial risks relating to debt, assets and liabilities;
- Provide reasonable stability in the level of rate burden;
- Consider the financial effects of Council decisions on future generations; and
- Provide full, accurate and timely disclosure of financial information.

10.2 Financial resources

The following table summarises the key indicative financial results for the five years 2012/13 to 2016/17. Appendix A provides further detail in respect of the key financial statements.

Key Financial Results	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Trend
	Forecast	Budget	Strategic Resource Plan Projections				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	↑→↓
Operating (Surplus) / Deficit	(13,370)	(2,248)	(19,155)	(3,202)	(2,810)	(1,635)	↓
Underlying Operating (Surplus) / Deficit	(2,419)	(1,428)	(1,188)	(1,235)	(822)	253	↓
Cash and Cash Equivalents	13,266	26,376	25,164	25,533	26,078	26,450	↑
Cash Flow from Operations	40,098	25,951	44,458	29,732	30,862	31,428	↑
Capital Works Program	43,573	33,470	58,808	27,944	28,722	31,616	↑

→ Forecasts that Council's financial performance/financial position indicator will be steady

↑ Forecast improvement in Council's financial performance/financial position indicator

↓ Forecast deterioration in Council's financial performance/financial position indicator

10.3 Key financial indicators

The following table highlights Council's current and projected performance across a range of key financial indicators (KPI's). KPI's provide useful analysis of Council's financial position and performance and should be used in the context of the organisation's objectives.

Key Financial Indicators	Notes	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
		Forecast	Budget	Strategic Resource Plan Projections			
Financial Performance							
Operating expenses / Assessments		2,013	2,116	2,198	2,276	2,371	2,493
Rate revenue / Assessment		(1,405)	(1,533)	(1,617)	(1,698)	(1,783)	(1,872)
Rate revenue / Underlying revenue	1	67%	57%	57%	53%	60%	60%
Operating Grants / Underlying revenue	2	18%	14%	14%	13%	14%	13%
Fees and charges / Underlying revenue		12%	12%	12%	10%	11%	11%
Financial Position							
Indebtness / Rate revenue		27%	59%	59%	71%	65%	59%
Underlying result / Total assets	3	-0.18%	-0.10%	-0.10%	-0.08%	-0.08%	-0.05%
Current assets / Current liabilities	4	136%	177%	177%	165%	163%	178%
Total liabilities / Assessment		379	732	929	887	844	840
Capital Expenditure							
Capital Works Program		43,573	34,970	60,308	29,444	30,222	33,116
- Asset renewal	5	15,832	16,704	17,824	21,636	22,011	21,847
- New assets	6	9,435	3,515	1,500	3,482	3,887	6,262
- Major projects	7	1,795	10,518	37,417			
- Asset expansion/upgrade		7,705	4,233	3,567	4,326	4,324	5,007
Cash op act / net capital outlays	8	94%	80%	77%	111%	112%	103%
Capital works / Rate revenue		54%	46%	81%	36%	35%	36%
Asset renewal / Total depreciation	9	69%	69%	68%	78%	76%	71%

Notes:

- 1) Council's rate revenue expressed as a percentage of underlying revenue is expected to remain relatively even over the period with relatively moderate increases in rate revenue matched by equally minor increases in other revenue sources.
- 2) Operating grant revenue as a percentage of underlying revenue is expected to remain stable over the period; any reduction would place an increasing pressure on Council's own source revenue streams to make up the difference.
- 3) Council's underlying operational surplus reduces over the term, which means that Council's overall asset base is being eroded over the period of the strategy.
- 4) Working capital becomes quite solid over the period with no liquidity issues forecast. Working capital decreased significantly in 2011/12 year due to a run down in cash reserves to fund the growing capital works program, rising employee costs, reduced grant income, reduced fees and charges income. Strategies have been introduced in the 2012/13 Proposed Annual Budget to address this liquidity issues by reducing capital expenditure and taking up loan borrowings to pay for major projects and the impending superannuation liability.
- 5) Asset renewal expenditure has been forecast to increase over the five year period. The increase in spending on asset renewal is in line with Council Asset Management Strategy to close the Asset Renewal Gap and ensure we are directing enough funds to renewal Councils ageing infrastructure. Asset Renewal funding has been reduced by \$1.5M in 2012/13 and 2013/14 as a short term funding mechanism for the Frankston Regional Aquatic Centre. The long term financial plan ensures that the asset renewal spending is brought back to the required level of spending in 2014/15 and 2015/16 to eliminate any asset renewal gap.
- 6) New asset funding is slightly variable during the term of the draft Long Term Financial Plan and spikes in 2013/14 due to major projects such as the Frankston Regional Aquatic Centre and Carrum Downs Learning and Care Centre influencing the outcomes.
- 7) Capital outlays as a percentage of total cash outflows have increased in 2013/14 due to the Frankston Regional Aquatic Centre project.
- 8) The rising commitment to Asset Renewals escalates Council's ratio outcome in this category. Section 13 of this Budget document highlights however the need to continue a longer term perspective in terms of annual funding requirements.

11. Rating Strategy

11.1 Strategy Development

In developing the Strategic Resource Plan, rates and charges were identified as an important source of revenue, accounting for 69% of the total revenue received by Council annually. Planning for future rate increases has therefore been an important component of the Strategic Resource Planning process.

Where considered appropriate, Council will utilise the range of rates and charges prescribed under Section 155 of the Act to spread the rate burden across the municipality to recover the costs for the provision of specific services. This will include the annual declaration of a municipal charge to cover some of the administrative costs of Council and a service charge for the full cost recovery of the collection and disposal of refuse.

However, it has also been necessary to balance the importance of rate revenue as a funding source with community sensitivity to increases, particularly every second year when applying new valuations to all properties within the municipality which results in individual rate payers facing varied increases in their rate payments.

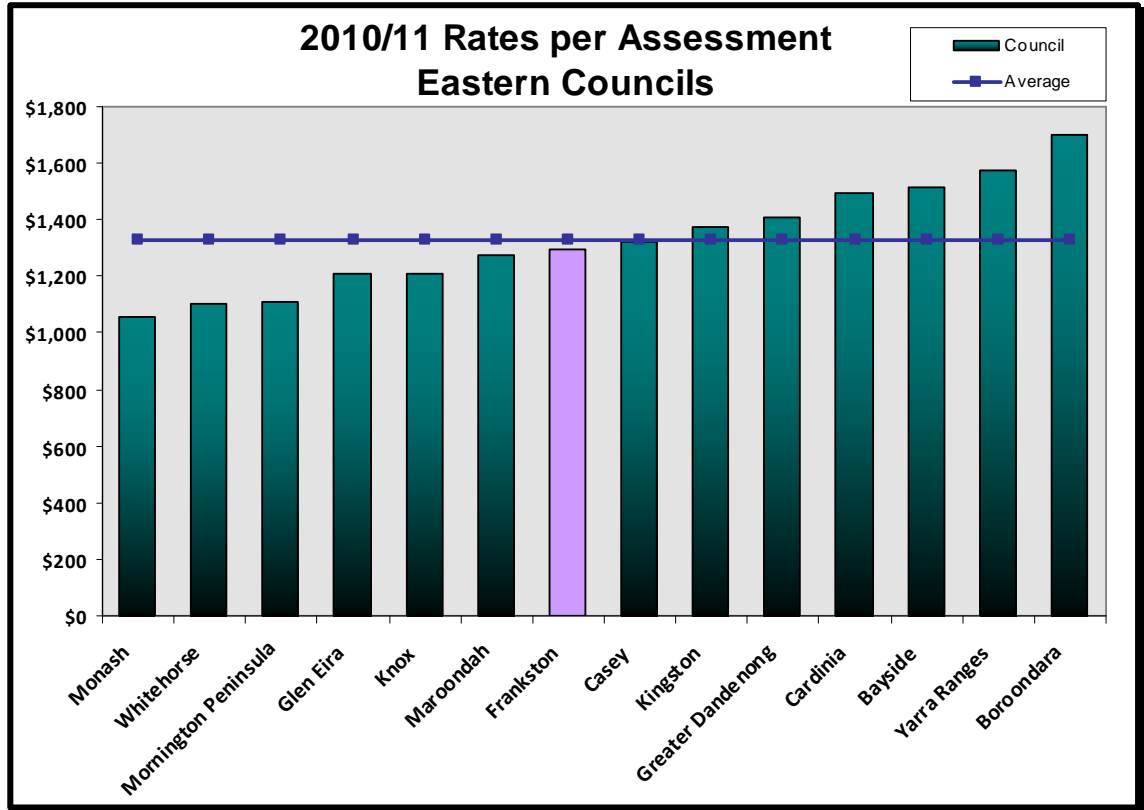
Over the past five years Council's rate increases have been lower than the average of other comparative Councils. Council's low rating strategy meant the average rate per property assessment was \$119 lower than the average in rates of comparative 30 Metro Councils in 2010/11.

Council needs to increase its revenue contributions from rates if it is in the long term to continue to provide services which are at least of a standard comparable to those offered elsewhere in the Melbourne metropolitan area. Otherwise it will not be able to meet the challenge of being able to be an outstanding Victorian regional capital on the bay.

The following highlights benchmark data comparing Frankston City Council's level of rating to that of fourteen comparable Eastern Melbourne Councils and the likely future percentage increases in the quantum of Council's rate revenue.

Benchmark data highlights that Frankston City Council is relatively low rating compared to its regional grouping. The below graph displays that on a rates per assessment basis (for the 2010/11 financial year), Council's \$1,292 per assessment is the seventh lowest of the group and below the average amount of \$1,331 per assessment.

The Eastern Group contains 7 of the 9 lowest rating Councils. Frankston had the 9th lowest average rate in the 30 metro areas in 2010/11.



The figures highlighted above are drawn from the 2010/11 Annual Reports of the various Councils and given Council's rate increase in 2011/12 of 6.50%, the variance amount below the average figure is expected to have been maintained.

The cost increase in the 2012/13 Annual Budget has been based on the annual cost escalation of providing Council services as against the Consumer Price Index (CPI). The CPI index is based upon a range of goods and services that bear little relationship to the cost components that comprise the delivery of Council services. As such the cost escalation index is a far more accurate reflection of the index required to maintain the delivery of Council services at the present level.

The table below highlights the indicative rate increase over the forward 5 year period. These forward indexes are indicative only, are reviewed on an annual basis, and are subject to change.

Year	2012/13	2013/14	2014/15	2015/16	2016/17
Indicative Rates & Municipal Charge Increase	4.66%	7.94%	5.73%	5.71%	5.83%

11.2 Current year rate increase

The following table summarises the rates to be made for the 2012/13 year. A more detailed analysis of the rates to be raised is contained in Appendix B "Statutory Disclosures".

Rate type	How applied	2011/12	2012/13
Ordinary Rate	Cents/\$ CIV	0.2772	0.2645
Rate for Retirement Villages	Cents/\$ CIV	0.2079	0.1983
Rate for Frankston Central Activities District (CAD)	Cents/\$ CIV	0.3465	-
Rate for Commercial Land	Cents/\$ CIV	-	0.3306
Rate for Industrial Land	Cents/\$ CIV	-	0.3306
Rate for Acacia Heath	Cents/\$ CIV	0.3021	0.2813
Rate for Electronic Gaming Machine Land	Cents/\$ CIV	-	0.5289
Rate for Farm Land	Cents/\$ CIV	0.2217	0.2116
Rate for Derelict Land	Cents/\$ CIV	0.8315	0.7934
Rate for Cultural & Recreational	Cents/\$ CIV	various	various
Rate by agreement (including Baxter Village)	Cents/\$ CIV	various	various
Municipal Charge	\$/ property	\$120.65	\$126.30
Residential Bin 240L	\$/ property	\$289.30	\$369.00
Residential Bin 120L	\$/ property	\$192.40	\$245.30
Residential Bin 80L	\$/ property	\$153.15	\$195.30
Residential Bin 120L (Fortnightly Pickup)	\$/ property	\$172.40	\$225.30
Residential Bin 80L (Fortnightly Pickup)	\$/ property	\$133.15	\$175.30
Green Waste Bin	\$/ property	\$107.00	\$113.60
Commercial Recycling Bin	\$/ property	\$102.20	\$130.50
Additional Recycling Bin	\$/ property	\$51.10	\$65.30

11.3 Proposed Rate Model 2012/13

Frankston City Council in previous financial years has established a general rate in the dollar to be applied to the valuation of all residential assessments in order to levy rates. It has further raised a number of differential rates that vary from the general rate in respect of certain rating types. The table below highlights the variance from the general rates for the 2012/13 financial year.

Differential Type	% Difference to General Rate 2012/13	% Difference to General Rate 2011/12
Rate for Retirement Villages	- 25.00%	- 25.00%
Rate for Commercial Land	+ 25.00%	-
Rate for Frankston Central Activities District (CAD)	-	+ 25.00%
Rate for Industrial Land	+ 25.00%	-
Rate for Acacia Estate	+ 4.66%	+ 9%
Rate for Electronic Gaming Machine Land	+ 100.00%	-
Rate for Farm Land	- 20.00%	- 20.00%
Rate for Derelict Land	+ 200.00%	+ 200.00%

Proposed Differential for Commercial Land (Developed and Vacant)

Frankston City Council has 1,345 commercial properties and 900 commercial (CAD) properties. These properties which constitute 3.8% of the total assessments and contribute 9% of the total rates raised. The Commercial CAD properties have previously been levied a higher differential rate based on a surcharge of an additional 25% above the residential rate. It is recommended that the commercial property differential in 2012/13 be extended equally to all commercial properties rather than be limited to the CAD area.

The Commercial differential rate is applied to promote the economic development objectives for the Frankston Commercial Sector. This objective includes an ongoing, significant investment in place management to improve the functionality and appearance of activity centres, together with general economic development promotion and facilitation activities, and through the creation of business opportunities by the activation of precincts such as the Frankston Central Activation Area. The commercial businesses of Frankston are expected to be beneficiaries of this ongoing significant investment by Council.

It is further noted that the application of a commercial differential rate further recognises the tax deductibility of Council rates for commercial properties which is not available to the residential sector.

Proposed Differential for Industrial Land (Developed and Vacant)

Council has 2,223 industrial developed properties which in previous financial years have been rated in the same vein as residential properties.

Industrial properties are those that are used for the purposes of manufacturing. These properties which constitute 3.8% of the total assessments, contribute only 4.9% of the total rates raised. This is in contrast to many municipalities which differentially rate commercial and industrial properties in recognition of the tax deductibility of rates and ability to pay.

The Industrial rate is to promote economic development objectives for the Frankston Industrial Sector. This objective includes an ongoing, significant investment in place management to improve the functionality and appearance of activity centres, together with general economic development promotion and facilitation activities, and through the creation of business opportunities by the activation of precincts such as the Frankston Central Activation Area. The industrial businesses of Frankston are expected to be beneficiaries of this ongoing significant investment by Council.

Proposed Differential for Electronic Gaming Machine Land

Council is committed to working with the community to encourage responsible gambling and reduce the serious economic and social harm which can result from problem gambling. Council is concerned about the prevalence of problem gambling within its municipal district and the nexus between problem gambling and electronic gaming machines ("EGMs").

Council intends to undertake research and consultation into the local impacts of EGMs on the community. This research and consultation will provide informed strategies to reduce problem gambling, and to mitigate the impacts of problem gambling, in the municipal district through primary and tertiary prevention, community awareness and

support initiatives. Council considers that the electronic gaming machine land differential rate will contribute to the equitable and efficient carrying out of its functions.

The objective of the electronic gaming machine land differential rate (“the EGM land differential rate”) is to equitably impose a differential rate on rateable land within the municipal district on which electronic gaming machines are operated and thereby to raise revenue to be used to improve the overall quality of life of people in the local community within Council’s municipal district having regard to the social and economic impacts of problem gambling and achieve the best outcomes for that local community in accordance with the primary objectives of Council pursuant to section 3C(1) of the Local Government Act 1989 (Vic).

The revenue raised from the electronic gaming machine land differential rate will be used to fund develop and implement strategies and initiatives to reduce the impact of problem gambling.

11.4 Impact of the 2012 Revaluation

Council is required under the Local Government Act 1989 to conduct a revaluation of all properties within the municipal boundaries on a two-yearly basis. The effective date of the 2012 revaluation is 1 January 2012, which is consistent for all Councils in Victoria. The revaluation is conducted by independent contract valuers and outcomes are certified by the Office of the Valuer General.

It is important to note that property revaluations do not increase the amount of rate revenue raised by Council – it only redistributes who pays the rates.

The below table highlights the movements in property valuations by Council’s rating type over the past two years.

Rate - Category	No. of Properties	2011/12 CIV \$	Revaluation 2012/13 CIV \$	% Growth in Valuation
General - Residential	51,064	17,785,103,600	18,920,875,000	6.39%
Commercial	2,259	1,798,158,700	1,973,854,075	9.77%
Industrial	2,225	1,072,878,900	1,113,561,400	3.79%
Retirement Village	558	101,652,500	111,725,000	9.91%
Other Vacant Land	1,075	455,566,495	493,999,995	8.44%
Rural	676	550,450,000	603,917,500	9.71%
Acacia Estate	209	103,045,000	118,840,000	15.33%
Derelict	7	4,070,000	4,640,000	14.00%
Electronic Gaming Machine	6	56,020,000	61,840,000	10.39%
Farm	9	25,940,000	28,305,000	9.12%
Other	555	140,030,750	179,722,500	28.35%
Grand Total	58,643	22,092,915,945	23,611,280,470	6.87%

As highlighted in the table, increases in property value have not been uniform across rating types. This is particularly the case between the three largest groups in terms of total valuation with residential values increasing by 6.38%, commercial by 9.79% and industrial values by 3.79%.

Frankston City Council is predominantly fully developed apart from some residential parcels in Langwarrin, Carrum Downs and Skye, most of which are being developed. The shortage of available new home sites and first home buyer demand for relatively

affordable properties has pushed up prices for land across the municipality. One of the affects of the shortage of available land has been that variation in value levels between older and newer areas has become noticeably less apparent. In addition the variation between the better quality and poorer quality streets has narrowed with buyers keen to buy land, basically wherever they can get a good level new home site.

The opening of Eastlink has had a positive affect on both Commercial, Industrial and Residential properties within the municipality making Frankston more accessible to the eastern corridor and Melbourne City. The imminent opening of Peninsula Link will further strengthen the accessibility of Frankston to the Mornington Peninsula.

There are a lot of new and planned developments within Frankston including the rejuvenation of Kananook Creek, the approved planning permits to redevelop The Peninsula Centre (residential and commercial development) and the former derelict 'Dimmeys' site – all improving the Central Activity District (CAD). This positive approach to new developments and rejuvenating the CAD will have a positive affect on property development and values.

The recently completed Eastlink Freeway, the Peninsula Link (expecting completion 2013) and the CAD rejuvenation have all been factors influencing value levels throughout the municipality. It is now becoming apparent that many investors are now realising the 'value for money' available in the Frankston area in comparison to any other coastal suburbs between Port Melbourne and Portsea.

Council proposes to allow the proposed differential rate structure to apply in 2012/13, with average residential rates increasing by 1.49% (inclusive of the 4.66% Council rate increase), Commercial rates will increase by and average of 19.20% and Industrial rates will increase by an average of 23.77%.

The below table highlights the percentage increase in rates 2012/13, by rating type.

Rate - Category	Increase in rates %
General - Residential	1.49%
Commercial	19.20%
Industrial	23.77%
Retirement Village	4.86%
Other Vacant Land	3.45%
Rural	4.67%
Acacia Estate	7.38%
Derelict	8.78%
Electronic Gaming Machine	95.75%
Farm	4.13%
Grand Total	4.66%

It should be noted the increase in residential rates of 1.49% will not be experienced uniformly with values in Carrum Downs, Langwarrin, Skye, Sandhurst, Langwarrin South and Frankston North all increasing above the average result.

11.4 Summary of rate income 2012/13

The table below provides a summary of the forecast rate revenue in 2012/13 highlighting that Council's total rate revenue will grow by 4.66%.

Rate - Category	No. of Properties	Annualised Rate Revenue 2011/12 \$	Rates Levied 2012/13 \$	Increase in rates %
General - Residential	51,064	49,300,307	50,037,232	1.49%
Commercial	2,259	5,473,917	6,524,949	19.20%
Industrial	2,225	2,974,020	3,681,088	23.77%
Retirement Village	558	211,336	221,597	4.86%
Other Vacant Land	1,075	1,262,830	1,306,409	3.45%
Rural	676	1,525,847	1,597,091	4.67%
Acacia Estate	209	311,299	334,279	7.38%
Derelict	7	33,842	36,812	8.78%
Electronic Gaming Machine	6	167,089	327,078	95.75%
Farm	9	57,509	59,883	4.13%
Other	555	232,741	291,789	Various
Grand Total	58,643	61,550,738	64,418,207	4.66%

NB The rates for 2011/12 have been adjusted for the supplementary rates received during 2011/12 on a full year rate yield basis (i.e. Whilst properties subjected to supplementary rates have received pro-rata rate accounts – the above rate figures are based on the income that would have been received if the accounts were for a full twelve month period).

Municipal Charge

Under Section 159 of the Local Government Act, council may declare a municipal charge to cover some of the administrative costs of the Council. The legislation is not definitive on what comprises administrative costs and does not require Council to specify what is covered by the charge.

The municipal charge applied at Frankston City Council will increase in line with the average rate increase from \$120.65 to \$126.30.

12. Debt Strategy

External Influences

The Federal Government response to the Global Financial Crisis has radically changed the financial environment for many Councils including Frankston. Councils across Australia have taken advantage of the opportunities provided by the Federal Government's Regional and Local Community Infrastructure program to seek funding for major capital works in excess of \$10.000M that would otherwise have not been possible.

Use of Debt for the provision of Major Capital Projects in Frankston and Defined Benefits Superannuation Call-Up

The use of debt funding for the provision of major community assets that will provide community benefit over a number of years is considered sound practice and governments at all levels have regularly enacted this approach. The use of debt funding enables the cost of community assets to be spread inter-generationally and smooths the impact of the borrowings on the long term financial structure for the Council. The Plan forecasts borrowing of \$33.879M over a two year period of 2012/13 to 2013/14 to fund major projects and superannuation call-up with repayments spread over a 20 year term. The increment in rate funding to service these borrowings in 2012/13 is 1.40% and 2013/14 of 1.96%.

Policy Considerations

Frankston City Council has clearly endorsed policies in relation to the undertaking of borrowings to fund major projects which have been reviewed and endorsed by Council. This includes clear definition of the types of projects that can be funded and the financial governance ratios that must be met in undertaking any borrowings. The Victorian Government principles on loan borrowing are also referenced for further validation of any proposed borrowings.

The table below sets out proposed / future borrowings, based on the forecast position of Council as at 30 June 2012. The table also shows the net results of prudential ratios used by the Victorian Government to assess the loan capacity of local governments.

Council is projected to be within these prudential ratio limits for the entire period of the Long Term Financial Strategy as shown below.

Year	(\$'000's)				Ratios (%)		
	Proposed New Borrowings	Principal Paid	Interest Expense	Balance 30 June	Liquidity (CA/CL)	Debt Commit (Debt/Total Rates)	Debt Serv (Serv Costs/ Total Revenue)
2012/13	19,573	37	108	19,536	1.64	40.34%	0.84%
2013/14	14,306	2,270	1,116	31,572	1.56	35.02%	1.04%
2014/15	-	2,606	1,444	28,966	1.54	29.95%	0.86%
2015/16	-	2,789	1,261	26,176	1.68	27.76%	0.72%
2016/17	-	507	1,108	25,669	1.67	25.53%	0.66%
Victorian State Government Prudential Ratio Limits:					Not less than 1.10	Not greater than 80%	Not greater than 5%

13. Infrastructure Strategy

Strategy Development

The management of Council's assets is an integral component of Council's Long Term Financial Plan and one that poses significant challenges, not only for this Council, but for all Victorian municipalities. Council is developing an Asset Management Strategy for its long-term infrastructure based on the knowledge provided by various Asset Management plans which sets out the capital expenditure requirements of the Council for the next 10 years by class of assets and is a key input into its long term financial plan. It predicts infrastructure consumption, renewal needs and considers infrastructure needs to meet future community service expectations.

The strategy has been developed through a rigorous process of consultation and evaluation. The key aspects of the process are as follows:

- Long-term capital planning process which integrates with the Council Plan, the long-term financial plan and the annual budget process.
- Identification of capital projects through the preparation of asset management plans.
- Prioritisation of capital projects within classes of assets on the basis of evaluation criteria.
- Methodology for allocating annual funding to classes of capital projects.
- Business Case templates for officers to document capital project submissions.

A key objective of the Asset Management Strategy is to maintain or renew Council's existing assets at desired condition levels. If sufficient funds are not allocated to assist renewal, then Council's investment in those assets will reduce, along with the capacity to deliver services to the community.

Nature and Valuation of Council's fixed assets

Council's fixed assets, comprising of assets such as land, buildings, roads, drains, footpaths, bike paths, bridges and other infrastructure assets were valued at \$1.473 billion as at 30 June 2011. The written down value of these assets after deducting accumulated depreciation was \$1.197 billion.

In terms of understanding the nature of these assets, the below descriptions outline the key asset groups.

The following assets are managed within the Frankston municipality:

- Foreshore – 11 km
- Parklands – 825 ha
- Carriageway – 692 km
- Drainage Pipes – 888 km
- Drainage Pits – 32,927
- Road Edge Treatment – 1,195 km
- Footpaths – 874 km
- Sporting Grounds - 67
- Sporting Reserves - 29
- Golf Course - 1
- Buildings - 281
- Tennis Courts - 93
- Signs - 328

Future funding required to sustain these assets

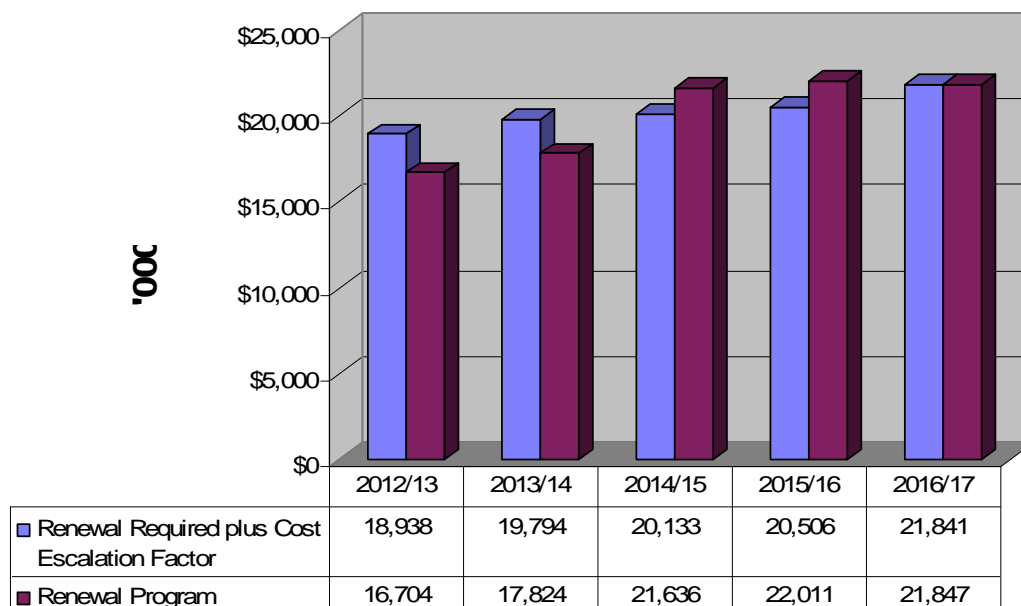
The management of Council's infrastructure assets requires Council to look long-term at both the current condition and the expected life of assets into the future. With the rapid growth experienced by Frankston in the 1960's and 1970's, many of the infrastructure assets that were initially funded by developers or by government grants will fall due for replacement at similar times. Council needs to plan now for its future asset renewal needs.

Future asset renewal requirements

In 2009/10 for the first time, the amount of funding put to Asset Renewal matched the amount required to maintain the existing asset base in its current condition. The under investment in previous years (the Asset Renewal Gap) has left a backlog of renewal requirements that will take until 2017/18 to resolve.

The backlog will be achieved within the Annual Capital Program and no additional levy or rate increase is required from 2012/13 onwards for this purpose. The key challenge now that much of Council's building infrastructure does not meet the current expectations of service needs.

The graph below contrasts the required level of spending to appropriately renew Council's assets with the projected spending levels. The budget for 2011/12 was \$16.643M and the forecast has decreased to \$15.832M. When comparing budget figures, the asset renewal spending has reduced marginally, however should be increasing to \$18.938 (13.8%) in 2012/13 to maintain the required spend. Asset Renewal funding has been reduced by \$1.5M in 2012/13 and 2013/14 as a short term funding mechanism for the Frankston Regional Aquatic Centre. The long term financial plan ensures that the asset renewal spending is brought back to the required level of spending in 2014/15 and 2015/16 to eliminate any asset renewal gap.



Appendices

Overview to Appendices

The following appendices include voluntary and statutory disclosures of information which provide support for the analysis contained in Sections 1 to 10 of this report.

This information has not been included in the main body of the budget report in the interests of clarity and conciseness. While the budget report needs to focus on the important elements of the budget and provide appropriate analysis, the detail upon which the annual budget is based should be provided in the interests of open and transparent local government.

The contents of the appendices are summarised below:

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Appendix A - Budgeted Standard Statements

Budgeted Standard Income Statement For the five years ended 30 June 2017

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
	Forecast	Budget	Strategic Resource Plan Projections			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
General Rates	(81,443)	(88,910)	(96,416)	(102,646)	(109,280)	(116,344)
Government Grants	(21,481)	(18,171)	(18,514)	(18,829)	(19,148)	(19,496)
User Fees, Charges and Fines	(14,128)	(15,217)	(15,374)	(15,382)	(15,638)	(16,668)
Interest Received	(1,738)	(1,644)	(1,724)	(1,801)	(1,881)	(1,970)
Other Revenue	(355)	(164)	(169)	(173)	(177)	(182)
Total Revenue	(119,145)	(124,105)	(132,197)	(138,832)	(146,124)	(154,659)
Expenses						
Employee Benefits	52,090	54,781	57,243	58,759	61,388	64,149
Materials and Services	32,046	34,502	37,306	40,326	43,372	48,344
Depreciation	22,813	24,319	26,155	27,600	29,130	30,734
Utility Payments	2,785	3,040	3,279	3,404	3,824	4,134
Finance Costs		108	1,116	1,444	1,261	1,108
Other Expenses	6,992	5,928	5,910	6,063	6,328	6,443
Total Expenses	116,726	122,678	131,009	137,597	145,302	154,913
Underlying (Surplus) / Deficit	(2,419)	(1,428)	(1,188)	(1,235)	(822)	253
Net gain/(loss) on disposal of assets	474	35	(194)	(377)	(383)	(268)
Capital Grants	(5,117)	(5,751)	(15,980)			
Capital Contributions	(743)	(50)	(208)			
Contributions - Non monetary Assets	(3,069)	(800)	(800)	(800)	(800)	(800)
Contributions - Cash	(2,496)	(754)	(785)	(790)	(805)	(820)
Superannuation Defined Benefits Call-Up		6,500				
(Surplus) / Deficit for the year	(13,370)	(2,248)	(19,155)	(3,202)	(2,810)	(1,635)
Other Comprehensive Income						
Net Asset Revaluation incr. (dec.) reversals	(59,072)	(44,488)	(75,839)	(34,488)	(77,920)	(40,681)
Comprehensive Result	(72,441)	(46,735)	(94,994)	(37,690)	(80,730)	(42,316)

This format calculates a surplus or deficit directly attributable to operations and distinguishes this from the net result for the year. The alternative presentation allows the impact of non-operating or once off items on the net surplus or deficit for the year to be measured. Items excluded include capital grants and contributions and non-monetary assets.

**Budgeted Standard Balance Sheet
For the five years ended 30 June 2017**

	2011/12 Forecast \$'000	2012/13 Budget \$'000	2013/14 \$'000	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000
	Strategic Resource Plan Projections					
Current Assets						
Cash and Cash Equivalents	13,266	26,376	25,164	25,533	26,078	26,450
Other Financial Assets	5,666	5,921	6,187	6,466	6,757	7,061
Trade and other Receivables	7,833	8,223	8,583	8,958	9,350	9,761
Inventories	263	277	289	301	314	328
Non current assets held for resale						
Other Assets	1,261	1,324	1,382	1,442	1,505	1,572
Total Current Assets	28,289	42,121	41,606	42,701	44,004	45,172
Non Current Assets						
Plant Property and Equipment	1,278,280	1,331,591	1,439,976	1,474,797	1,552,298	1,593,861
Special Charge Receivables	962	1,010	1,054	1,101	1,149	1,199
Total Non Current Assets	1,279,243	1,332,601	1,441,030	1,475,898	1,553,446	1,595,060
Total Assets	1,307,532	1,374,722	1,482,636	1,518,598	1,597,450	1,640,232
Current Liabilities						
Trade and other Payables	(8,738)	(9,053)	(9,314)	(9,544)	(9,777)	(10,041)
Provision for Employee Benefits	(10,599)	(11,076)	(11,575)	(12,096)	(12,640)	(13,209)
Other Current Provisions	(1,515)	(1,590)	(1,660)	(1,733)	(1,808)	(1,888)
Interest Bearing Liabilities (Loans) Superannuation		(2,099)	(2,606)	(2,789)	(507)	(543)
Total Current Liabilities	(20,852)	(23,818)	(25,156)	(26,162)	(24,733)	(25,681)
Non Current Liabilities						
Provision for Employee Benefits	(1,137)	(1,188)	(1,242)	(1,297)	(1,356)	(1,417)
Interest Bearing Liabilities (Loans) Superannuation		(17,437)	(28,966)	(26,176)	(25,669)	(25,126)
Total Non Current Liabilities	(1,137)	(18,626)	(30,207)	(27,474)	(27,025)	(26,543)
Total Liabilities	(21,989)	(42,444)	(55,363)	(53,636)	(51,758)	(52,223)
Net Assets	1,285,543	1,332,279	1,427,273	1,464,963	1,545,693	1,588,009
Represented by:						
Accumulated Surplus	(554,780)	(555,307)	(575,785)	(578,982)	(581,777)	(583,397)
Asset Revaluation Reserve	(716,627)	(761,115)	(836,953)	(871,442)	(949,362)	(990,043)
Other Reserves	(14,137)	(15,857)	(14,534)	(14,539)	(14,554)	(14,569)
Equity	(1,285,543)	(1,332,279)	(1,427,273)	(1,464,963)	(1,545,693)	(1,588,009)

**Budgeted Standard Cash Flow Statement
For the five years ended 30 June 2017**

	2011/12 Forecast \$'000	2012/13 Budget \$'000	2013/14 Strategic \$'000	2014/15 Resource \$'000	2015/16 Plan \$'000	2016/17 Projections \$'000
Cash Flow from Operating Activities						
General Rates	81,443	88,910	96,416	102,646	109,280	116,344
Government Grants	31,598	23,922	34,494	18,829	19,148	19,496
User Fees and Charges	14,871	15,267	15,582	15,382	15,638	16,668
Interest	1,738	1,644	1,724	1,801	1,881	1,970
Other Revenue	2,851	918	954	963	982	1,002
Movement in Working Capital	1,510	150	142	107	105	127
Employee Costs	(52,090)	(61,281)	(57,243)	(58,759)	(61,388)	(64,149)
Materials and Contracts	(32,046)	(34,502)	(37,306)	(40,326)	(43,372)	(48,344)
Debt Servicing Costs		(108)	(1,116)	(1,444)	(1,261)	(1,108)
Utility Payments	(2,785)	(3,040)	(3,279)	(3,404)	(3,824)	(4,134)
Other Expenses	(6,992)	(5,928)	(5,910)	(6,063)	(6,328)	(6,443)
Net Cash Flow from Operating Activities	40,098	25,951	44,458	29,732	30,862	31,428
Cash Flow from Investing Activities						
Payments for Fixed Assets	(43,573)	(33,470)	(58,808)	(27,944)	(28,722)	(31,616)
Proceeds from Sale of Assets	1,097	1,093	1,103	1,187	1,194	1,068
Net Cash Flow from Investing Activities	(42,476)	(32,377)	(57,706)	(26,757)	(27,528)	(30,548)
Cash Flows from Financing Activities						
Proceeds from borrowings		19,573	14,306			
Repayment of borrowings		(37)	(2,270)	(2,606)	(2,789)	(507)
Net Cash Flow from Financing Activities		19,536	12,036	(2,606)	(2,789)	(507)
Net Increase (Decrease) in Cash and Cash Equivalents	(2,378)	13,111	(1,212)	369	545	372
Cash and Cash Equivalents at the Beginning of the year	15,644	13,266	26,376	25,164	25,533	26,078
Cash and Cash Equivalents at End of the year	13,266	26,376	25,164	25,533	26,078	26,450

Budgeted Standard Capital Works Statement For the five year ended 30 June 2017

Capital Works Program	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
	Forecast	Budget	Strategic Resource Plan Projections			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Capital Works Areas						
Bridges and Pedestrian Structures	122	1,020	1,615	2,903	3,091	3,277
Transportation	9,044	6,863	7,140	7,500	7,843	8,223
Facilities	15,218	17,469	42,637	9,602	9,258	11,500
Parks & Leisure	3,739	2,979	2,670	2,823	2,984	3,163
Stormwater Management	876	1,200	1,330	1,742	1,855	1,966
Plant, Equipment, Furniture & Artworks	5,768	5,439	4,916	4,874	5,191	4,987
Carry forward works	8,806					
Total Capital Works	43,573	34,970	60,308	29,444	30,222	33,116
Represented by:						
Renewal	15,832	16,704	17,824	21,636	22,011	21,847
Upgrade	7,603	4,143	3,567	4,326	4,324	5,007
Major Projects	1,795	10,518	37,417			
Expansion	102	90				
New Assets	9,435	3,515	1,500	3,482	3,887	6,262
Carry forward works	8,806					
Total Capital Works	43,573	34,970	60,308	29,444	30,222	33,116

Note: The 2012/13 Budget does not include carry forward amounts from 2011/12.

Capital Expenditure Funding Sources	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
	Forecast	Budget	Strategic Resource Plan Projections			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External						
Loan borrowings		794	14,306			
Government grants	2,288	5,751	15,980			
Contribution	723	50	208			
Proceeds from Sale of Plant	1,077	1,078	1,103	1,187	1,194	1,068
Subtotal	4,088	7,673	31,597	1,187	1,194	1,068
Internal						
Reserve funds	3,801	6,850	1,908	785	790	805
Carry forward works income	2,865					
Rate Funding	32,819	20,447	25,304	25,972	26,738	29,743
Total Capital Works	43,573	34,970	58,808	27,944	28,722	31,616

Budgeted Statement of Investment Reserves For the five year ended 30 June 2017

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
	Forecast	Budget	Strategic Resource Plan Projections			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Statutory						
Public Resort and Recreation	3,376	3,178	2,773	2,773	2,773	2,773
Infrastructure Reserve	107	107	107	107	107	107
Native Vegetation Reserve	952	1,060	1,091	1,096	1,111	1,126
Resource Efficiency Fund	118	168	168	168	168	168
Regional Aquatic Centre	5,835	558				
Other Reserves	106	106	106	106	106	106
Subtotal	10,494	5,177	4,245	4,250	4,265	4,280
Discretionary						
Strategic Projects	376	10,191	10,000	10,000	10,000	10,000
Unexpended Grants	3,267	489	289	289	289	289
Subtotal	3,643	10,680	10,289	10,289	10,289	10,289
Total Reserves	14,137	15,857	14,534	14,539	14,554	14,569

Appendix B Statutory Disclosures

LOCAL GOVERNMENT ACT 1989 DISCLOSURE SECTIONS 127(2) (E) AND LOCAL GOVERNMENT (FINANCE AND REPORTING) REGULATIONS 2004

Purpose of Statutory Disclosures

The Regulations require certain information to be disclosed with the Budget. The information disclosed in this appendix satisfies the requirements of the 2004 Regulations pertaining Victorian Local governments. The information set out below is required under the Act to be disclosed in the Council's annual budget.

1. Borrowings

	2011/12	2012/13
	\$	\$
New borrowings (other than refinancing)	Nil	\$19,573,000
Debt redemption	Nil	\$145,000

2. Rates and charges

2.1 The rate in the dollar for each type of rate to be levied

Type of Property	2011/12	2012/13
	%	%
Ordinary Rate	0.2772	0.2645
Rate for Retirement Villages	0.2079	0.1983
Rate for Frankston Central Activities District (CAD)	0.3465	-
Rate for Commercial Land	-	0.3306
Rate for Industrial Land	-	0.3306
Rate for Acacia Heath	0.3021	0.2813
Rate for Electronic Gaming Machine Land	-	0.5289
Rate for Farm Land	0.2217	0.2116
Rate for Derelict Land	0.8315	0.7934
Rate for Cultural & Recreational	various	various
Rate by agreement (including Baxter Village)	various	various

2.2 The estimated amount to be raised by each type of rate to be levied and the estimated total amount to be raised by rates

Type of Property	2011/12	2012/13
	\$	\$
Ordinary Rate	57,305,117	52,940,732
Rate for Retirement Villages	209,164	221,597
Rate for Frankston Central Activities District (CAD)	2,431,310	-
Rate for Commercial Land	-	6,524,949
Rate for Industrial Land	-	3,681,088
Rate for Acacia Heath	326,975	334,279
Rate for Electronic Gaming Machine Land	-	327,078
Rate for Farm Land	119,345	59,883
Rate for Derelict Land	33,717	36,812
Rate for Cultural & Recreational	131,294	187,283
Rate by agreement (including Baxter Village)	101,448	104,506
Total rates to be raised	60,658,370	64,418,207

Total rates to be raised exclude Supplementary Rates of \$0.844 million in 2011/12 Forecast and \$0.737 million in 2012/13 Budget.

2.3 The percentage change in the rate in the dollar for each type of rate to be levied, compared to that of the previous financial year

Type of Property	2011/12	2012/13
	Change %	Change %
Ordinary Rate	6.6	-4.6
Rate for Retirement Villages	6.6	-4.6
Rate for Frankston Central Activities District (CAD)	6.6	-4.6
Rate for Commercial Land	-	11.3
Rate for Industrial Land	-	19.3
Rate for Acacia Heath	6.6	-6.9
Rate for Electronic Gaming Machine Land	-	71.7
Rate for Farm Land	n/a	-4.6
Rate for Derelict Land	6.6	-4.6
Rate for Cultural & Recreational	n/a	-4.6
Rate by agreement (including Baxter Village)	n/a	-4.6

2.4 The number of assessments for each type of rate to be levied compared to the previous year

Type of Property	2011/12	2012/13
Ordinary Rate	55,708	52,815
Rate for Retirement Villages	552	558
Rate for Frankston Central Activities District (CAD)	899	-
Rate for Commercial Land	-	2,259
Rate for Industrial Land	-	2,225
Rate for Acacia Heath	240	209
Rate for Electronic Gaming Machine Land	-	6
Rate for Farm Land	20	9
Rate for Derelict Land	8	7
Rate for Cultural & Recreational	5	5
Rate by agreement (including Baxter Village)	550	550
Total number of assessments	57,982	58,643

2.5 The basis of valuation to be used is the Capital Improved Value (CIV)

2.6 The estimated total value of land in respect of which each type of rate is to be levied compared with the previous year

Type of Property	2011/12 \$	2012/13 \$
Ordinary Rate	20,675,825,195	20,018,792,495
Rate for Retirement Villages	100,622,500	111,725,000
Rate for Frankston Central Activities District (CAD)	701,778,000	-
Rate for Commercial Land	-	1,973,854,075
Rate for Industrial Land	-	1,113,561,400
Rate for Acacia Heath	108,235,000	118,840,000
Rate for Electronic Gaming Machine Land	-	61,840,000
Rate for Farm Land	53,825,000	28,305,000
Rate for Derelict Land	4,055,000	4,640,000
Rate for Cultural & Recreational	69,745,750	103,855,000
Rate by agreement (including Baxter Village)	70,285,000	75,867,500
Total	21,784,371,445	23,611,280,470

2.7 The unit amount to be levied for each type of charge under Section 162 of the Act

Type of Charge	Per Rateable Property 2011/12 \$	Per Rateable Property 2012/13 \$
Municipal Charge	120.65	126.30
Residential Bin 240L	289.30	369.00
Residential Bin 120L	192.40	245.30
Residential Bin 80L	153.15	195.30
Residential Bin 120L (Fortnightly Pickup)	172.40	225.30
Residential Bin 80L (Fortnightly Pickup)	133.15	175.30
Green Waste Bin	107.00	113.60
Commercial Recycling Bin	102.20	130.50
Additional Recycling Bin	51.10	65.30

2.8 The estimated amounts to be raised for each type of service charge to be levied compared to the previous year

Type of Service Charge	2011/12 \$	2012/13 \$
Municipal Charge	6,985,151	7,394,102
Residential Bin 240L	2,893	3,690
Residential Bin 120L	7,210,110	9,353,925
Residential Bin 80L	2,347,038	3,116,556
Residential Bin 120L (Fortnightly Pickup)	87,924	114,454
Residential Bin 80L (Fortnightly Pickup)	55,124	73,800
Green Waste Bin	3,153,498	3,653,376
Commercial Recycling Bin	24,281	29,624
Additional Recycling Bin	9,198	14,432
Total	19,875,217	23,753,959

2.9 The estimated total amount to be raised by rates and charges:

	2011/12 \$	2012/13 \$
Rates and Charges *	80,533,587	88,172,166
Supplementary Rates	683,000	737,000
Total	81,216,587	88,909,166

2.10 There are no known significant changes, which may affect the estimated amounts to be raised by rates and charges. However, the total amount to be raised by rates and charges may be affected by:

- The making of supplementary valuations;
- The variation of returned levels of value (e.g. valuation appeals);
- Changes of use of land such that rateable land becomes non-rateable land and vice versa; and
- Changes of use of land such that residential land becomes business land and vice versa.

3. Differential rates

3.1 Rates to be levied

The rate and amount of rates payable in relation to land in each category of differential are:

- A general rate of 0.2645% for all rateable Other Land.
- A general rate of 0.1983% for all rateable Retirement Village Land; and
- A general rate of 0.3306% for all rateable Commercial Land; and
- A general rate of 0.3306% for all rateable Industrial Land; and
- A general rate of 0.2813% for all rateable Acacia Heath Properties; and
- A general rate of 0.5289% for all rateable Electronic Gaming Machine Land; and
- A general rate of 0.2116% for all rateable Farm Land.
- A general rate of 0.7934% for all rateable Derelict Land; and

Each differential rate will be determined by multiplying the Capital Improved Value of each rateable land (categorised by the characteristics described below) by the relevant percentages indicated above.

Council considers that each differential rate will contribute to the equitable and efficient carrying out of council functions. Details of the objectives of each differential rate, the types of classes of land, which are subject to each differential rate and the uses of each differential rate, are set out below.

3.2 Other Land

Definitions/Characteristics:

Any land that is developed or vacant which is not Retirement Village Land, Industrial Land, Acacia Estate Properties, Derelict Land, Farm Land, Commercial Land or Electronic Gaming Venue Land.

Objective:

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the:

1. Construction and maintenance of public infrastructure; and
2. Development and provision of health & community services; and
3. Provision of general support services.
4. Requirement to ensure that Council has adequate funding to undertake its strategic, statutory, and service provision obligations.

Types and Classes:

Rateable land having the relevant characteristics described in the definition / characteristics.

Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the relevant Planning Scheme.

Planning Scheme Zoning:

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

Types of Buildings:

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2012/13 Financial Year.

3.3 Retirement Village Land

Objective:

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the:

1. Construction and maintenance of public infrastructure; and
2. Development and provision of health and community services; and
3. Provision of general support services.

Types and Classes:

Rateable land having the relevant characteristics described in the Recommendation and which otherwise would not be classed as derelict land.

Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the relevant Planning Scheme.

Planning Scheme Zoning:

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

Types of Buildings:

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2012/13 Financial Year.

3.4 Commercial Land

Definitions/Characteristics:

Any land which is used primarily for the purposes of a commercial land including developed and vacant land.

Objective:

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the:

1. Construction and maintenance of public infrastructure; and
2. Development and provision of health & community services; and
3. Provision of general support services; and
4. Enhancement of the economic viability of the commercial and industrial sector through targeted programs and projects; and
5. Encouragement of employment opportunities; and
6. Promotion of economic development; and
7. Requirement to ensure that streetscaping and promotional activity is complementary to the achievement of industrial and commercial objectives.

Types and Classes:

Rateable land having the relevant characteristics described in the definition/ characteristics.

Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the relevant Planning Scheme.

Planning Scheme Zoning:

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

Types of Buildings:

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2012/13 Financial Year.

3.5 Industrial Land

Definitions/Characteristics:

Any land which is used primarily for the purposes of an industrial land including developed and vacant land.

Objective:

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the:

1. Construction and maintenance of public infrastructure; and
2. Development and provision of health & community services; and
3. Provision of general support services; and
4. Enhancement of the economic viability of the commercial and industrial sector through targeted programs and projects; and
5. Encouragement of employment opportunities; and
6. Promotion of economic development; and
7. Requirement to ensure that streetscaping and promotional activity is complementary to the achievement of industrial and commercial objectives.

Types and Classes:

Rateable land having the relevant characteristics described in the definition/ characteristics.

Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the relevant Planning Scheme.

Planning Scheme Zoning:

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

Types of Buildings:

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2012/13 Financial Year.

3.6 Acacia Heath Land

Objective:

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the:

1. Construction and maintenance of public infrastructure; and
2. Development and provision of health and community services; and
3. Provision of general support services.

Types and Classes:

Rateable land having the relevant characteristics described in the Recommendation and which otherwise would not be classed as derelict land.

Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the relevant Planning Scheme.

Planning Scheme Zoning:

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

Types of Buildings:

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2012/13 Financial Year.

3.7 Farm Land

Objective:

Farm Land is any land which does not have the characteristics of general land or vacant sub-standard land or commercial land or industrial land; which is:

- 'farm land' within the meaning of Section 2(1) of the *Valuation of Land Act 1960*

The objective of this differential rate is to ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including (but not limited to) the:

1. Construction and maintenance of infrastructure assets
2. Development and provision of health and community services
3. Provision of general support services.

Types and Classes:

The types and classes of rateable land within this category are those having the relevant characteristics described above.

Use and Level of Differential Rate:

The money raised by the differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council. The level of the rate for land in this category is considered to provide for an appropriate contribution to Council's budgeted expenditure, having regard to the characteristics of the land.

Geographic Location:

The geographic location of the land within this category is wherever it is located within the municipal district, without reference to ward boundaries.

Use of Land:

The use of the land within this category is any use of land permitted under the relevant Planning Scheme.

Planning Scheme Zoning:

The planning scheme zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

Types of Buildings:

The types of buildings on the land within this category are all buildings already constructed on the land or which will be constructed prior to the expiry of the 2012/13 financial year.

3.8 Derelict Land

Objective:

To ensure that all rateable land makes an equitable financial contribution to the cost of carrying out the functions of Council, including the:

1. Construction and maintenance of public infrastructure; and
2. Development and provision of health and community services; and
3. Provision of general support services.

Types and Classes:

Rateable land having the relevant characteristics described in the Recommendation.

Use and Level of Differential Rate:

The differential rate will be used to fund some of those items of expenditure described in the Budget adopted by Council.

The level of the differential rate is the level which Council considers is necessary to achieve the objectives specified above.

Geographic Location:

Wherever located within the municipal district.

Use of Land:

Any use permitted under the relevant Planning Scheme.

Planning Scheme Zoning:

The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.

Types of Buildings:

All buildings which are now constructed on the land or which are constructed prior to the expiry of the 2012/13 Financial Year

3.9 Electronic gaming machine land differential rate

1 Background

- 1.1 Council is committed to working with the community to encourage responsible gambling and reduce the serious economic and social harm which can result from problem gambling.
- 1.2 Council is concerned about the prevalence of problem gambling within its municipal district and the nexus between problem gambling and electronic gaming machines (“EGMs”).
- 1.3 Council has in place a Responsible Gambling Strategy 2010 – 2014 and annual Action Plans. Council has undertaken research and consultation into the local impacts of EGMs on the community. This research and consultation has informed a range of strategies to reduce problem gambling, and to mitigate the impacts of problem gambling, in the municipal district through primary and tertiary prevention, community awareness and support initiatives.
- 1.4 It is the express intention of Council to act in fulfilment of its functions as set out in section 3E of the Local Government Act 1989 (Vic) and in pursuance of its objectives as set out in section 3C of that Act.
- 1.5 For the purposes of section 161(1)(a) and (b) of the Local Government Act 1989 (Vic), Council uses the capital improved value system of valuing land and considers that the electronic gaming machine land differential rate will contribute to the equitable and efficient carrying out of its functions.

2 Objective of the electronic gaming machine land differential rate

- 2.1 The objective of the electronic gaming machine land differential rate (“the EGM land differential rate”) is to equitably impose a differential rate on rateable land within the municipal district on which electronic gaming machines are operated and thereby to raise revenue to be used to improve the overall quality of life of people in the local community within Council’s municipal district having regard to the social and economic impacts of problem gambling and achieve the best outcomes for that local community in accordance with the primary objectives of Council pursuant to section 3C(1) of the Local Government Act 1989 (Vic).
- 2.2 The EGM land differential rate will enable Council to equitably and efficiently carry out its functions including –
 - (a) advocating and promoting proposals which are in the best interests of the local community;
 - (b) planning for and providing services and facilities for the local community; and
 - (c) raising revenue to enable Council to perform its functions.
- 2.3 The revenue raised from the electronic gaming machine land differential rate will be used to fund develop and implement strategies and initiatives to reduce the impact of problem gambling. The gambling strategies and initiatives will assist Council to:
 - (a) reduce problem gambling by addressing the determinants of excessive gambling and problem gambling relapse;
 - (b) better manage the issue of gambling with the community; and
 - (c) reduce the impact of gambling on the broader community.

3 Definition of the types or classes of land subject to the electronic gaming machine land differential rate

- 3.1 The EGM land differential rate applies to all land within Council's municipal district, which is rateable land in accordance with section 154 of the *Local Government Act 1989 (Vic)*, and on which gaming machines are operated.
- 3.2 For the purpose of the EGM land differential rate, the term "gaming machine" has the same meaning as section 1.3 of the *Gambling Regulation Act 2003 (Vic)*, that is, "gaming machine" means any device, whether wholly or partly mechanically or electronically operated, that is so designed that –
- (a) it may be used for the purpose of playing a game of chance or a game of mixed chance and skill; and
 - (b) as a result of making a bet on the device, winnings may become payable and includes any machine declared to be a gaming machine under section 3.1.3 of that Act but does not include –
 - (c) a lucky envelope vending machine within the meaning of Chapter 8 of that Act; or
 - (d) interactive gaming equipment that is used or intended to be used for the purposes of interactive games and not for gaming of any other kind.
- 3.3 Land which may be subject to the EGM land differential rate includes all land, except land which is otherwise not rateable land pursuant to section 154(2) of the *Local Government Act 1989 (Vic)*. Land which is not rateable for the purpose of the electronic gaming land differential rate includes, but is not limited to, land held in trust and used exclusively as a sub-branch of the Returned Services League of Australia in accordance with section 154(2)(f)(ii) of the Act.

4 Identification of the types or classes of land which are subject to electronic gaming machine land differential rate

- 4.1 Use of the land
- Rateable land on which gaming machines are operated
- 4.2 Geographic location
- Anywhere within Council's municipal district
- 4.3 Planning scheme zoning
- The zoning applicable to each rateable land within this category, as determined by consulting maps referred to in the relevant Planning Scheme.
- 4.4 Types of building
- Not relevant to EGM land differential rate

5 Characteristics of the land which are the criteria for declaring the electronic gaming machine land differential rate

Use of rateable land for the operation of gaming machines

6 Amount and calculation of differential rate

6.1 The amount of rates payable on land which is subject to the EGM land differential rate will be calculated by multiplying the Capital Improved Value (CIV) of that land by the EGM land differential rate.

6.2 The EGM land differential rate is 0.7934% (0.7934 cents in the dollar of CIV).

7 The reasons for the use of the EGM land differential rate

7.1 The land on which EGMs are operated is to be subject to a differential rate so that revenue is raised to develop and implement evidence based strategies and initiatives that will reduce the impact of problem gambling within the municipal district, drawing on research undertaken by Council previously.

7.2 Council will use the amounts derived from the EGM land differential rate to fund the following projects:

(a) Undertake a research study on the extent and impact of problem gambling within Frankston Local Government Area and to develop and implement place based strategies to reduce the impact of problem gaming.

Total Budget Allocation: \$78,000

(b) Community Education Campaign: Based on findings within the Research Study implement a targeted community education campaign aimed at reducing EGM gambling harm.

Total Budget Allocation: \$45,000

(c) Promote and support alternative entertainment and recreation options.

Total Budget Allocation: \$40,539

8 The reasons for the level of the EGM land differential rate

8.1 The EGM land differential rate will be levied at twice the general rate.

8.2 In 2012/2013, there will be 6 properties within Council's municipal area which will be subject to the EGM land differential rate.

8.3 The total amount raised by the EGM land differential rate in 2012/2013 will be \$327,078.

8.4 One half of the amount referred to in paragraph 8.3 will fund the ordinary budget expenditure as per the application of the general rate.

- 8.5 The second half of the amount referred to in paragraph 8.3, in the sum of approximately \$163,539, will be applied towards the 3 projects as listed above under 7.2. The budget allocation for these 4 projects is \$163,539. The need to provide funding for these projects is the reason for levying the EGM land differential rate at twice the general rate.

Section 161(2)(iii) of the Act

- 8.6 There has been no change in the valuation system, so section 161(2)(iii) of the Local Government Act 1989 (Vic) does not arise.

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CAPITAL WORKS PROGRAM
 2012/13 ANNUAL BUDGET



Proj. Code	Project name	2012/13 Budget Allocation	Rates Funded	Other Funding Source
Bridges				
Pedestrian				
3099	Bridges Boardwalk and Staircase Renewal	100,000	100,000	
3522	St Ives Avenue to Overport Park Pedestrian Bridge Construction	200,000	200,000	
2811	Frankston Foreshore - Landmark Bridge - Cathodic Protection	150,000	150,000	
2127	Bridges Boardwalk and Staircase - Audit and Inspection	15,000	15,000	
3523	Gulls Way Staircase Renewal	30,000	30,000	
3551	Baden Powell Pedestrian Crossing Renewal	55,000	55,000	
3552	Bridge Renewal Program	370,000	370,000	
3488	McCulloch Avenue Boardwalk	30,000	30,000	
		950,000	950,000	
Vehicular				
3553	Armstongs Road Bridge Upgrade	70,000	70,000	
		70,000	70,000	
Bridges Total		1,020,000	1,020,000	-
Facilities				
Arts & Library Precinct				
3366	Frankston Arts & Library Precinct - Heating and Cooling Systems Renewal	409,000	409,000	
1446	Frankston Arts Centre - Technical Equipment Upgrade & Replacement	80,000	80,000	
3529	Frankston Art Centre - Flytower and roof resealing	200,000	200,000	
		689,000	689,000	
Community				
3394	Community House for the South West Ward	200,000	200,000	
NEW	Men's Shed, Langwarrin	100,000	100,000	
3393	Frankston Aboriginal Gathering Place	100,000	100,000	
		400,000	400,000	
Family & Youth				
3287	Carrum Downs Early Learning and Care Centre	1,297,200		1,297,200
2641	Family & Youth Services - Renewal of Facilities	300,000	300,000	
3530	Lakewood Preschool conversion to M&CH Centre	140,000	140,000	
		1,737,200	440,000	1,297,200
Land				
2042	Land Acquisition - General Acquisition Fund	200,000		200,000
		200,000		200,000

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CAPITAL WORKS PROGRAM
 2012/13 ANNUAL BUDGET



Proj. Code	Project name	2012/13 Budget Allocation	Rates Funded	Other Funding Source
Municipal				
1987	Frankston Yacht Club Redevelopment	100,000		100,000
3371	Frankston Regional Aquatic Centre	9,221,000		9,221,000
3384	Energy And Water Efficiency Program	150,000	150,000	
3531	Civic Centre Airconditioning Renewal	420,000	420,000	
3532	Other Facilities Renewal Program	50,000	50,000	
3533	Facilities Maintenance Renewal Program	200,000	200,000	
3534	Facilities Roof Renewal Program	100,000	100,000	
3367	Civic Centre Regulatory Compliance Project	350,000	350,000	
3535	43 Davey Street Upgrade and Renewal	401,316	250,000	151,316
2623	Public Toilet Action Plan	260,000	260,000	
3536	Air Conditioning Upgrade and Renewal	30,000	30,000	
3537	Memorial Park Masterplan Implementation (2010)	290,000	290,000	
3400	Operations Centre - Chemical Shed	200,000	200,000	
2671	Operations Centre Transfer Station/Drainage Discharge Facility	100,000	100,000	
3538	Two Stoke Fuel Storage Shed	15,000	15,000	
1606	Operations Centre Improvements - Storage, Shelters & Equipment Upgrade	40,000	40,000	
3539	Operations Centre Master Key Project	10,000	10,000	
3540	EM & HR Office	15,000	15,000	
		11,952,316	2,480,000	9,472,316
Recreation				
3020	Regional Baseball/Softball Facility - Robinsons Road, Frankston South	1,200,000	1,200,000	
3399	Samuel Sherlock Reserve - Relocate existing YCW club	245,000	245,000	
1237	Parks & Leisure - Pavilions Renewal	300,000	300,000	
3544	Pat Rollo Reserve Pavilion - Renewal	40,000	40,000	
3545	Scouts and Guide Halls Renewal and Upgrade	20,000	20,000	
3546	Baxter Park Pavilion Septic System Extension	25,000	25,000	
3547	Pines Soccer Grandstand Renewal	100,000	100,000	
3548	Expansion of Frankston District Basketball Association	20,000	10,000	10,000
3549	Pines Forest Aquatics Centre Redevelopment Planning	120,000	60,000	60,000
3550	Frankston Bowling Club Disability Upgrade & Renewal	120,000	60,000	60,000
3502	Frankston Park Master Plan - Dolphin Function Centre	300,000		300,000
		2,490,000	2,060,000	430,000
Facilities Total		17,468,516	6,069,000	11,399,516

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CAPITAL WORKS PROGRAM
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Proj. Code	Project name	2012/13 Budget Allocation	Rates Funded	Other Funding Source
Parks & Leisure				
Foreshore				
3408	Keast Park - Masterplan Implementation	52,600	52,600	
3575	Olivers Hill and Kanook Creek Boating Infrastructure Public Safety Assess	20,000	20,000	
3576	Kanook Creek Boat Ramp Renewal	600,000	600,000	
		672,600	672,600	
Natural Reserves				
3405	Sweetwater Creek Reserve - Improvements	25,000	25,000	
3577	Garden Bed - Retaining Walls	39,000		39,000
3170	Kanook Creek Corridor - Management Plan implementation	117,000	117,000	
3578	Shaxton Circle Improvements	50,000	50,000	
		231,000	192,000	39,000
Park Management				
3579	Frankston Tip Risk Management Strategy Implementation	192,000	192,000	
3030	Parks Level of Service Improvements	200,000		200,000
3421	Fencing Replacement Program - Boundary Fences - Council Reserves	120,000	120,000	
1286	BBQ Replacement Program - Major Parks	20,000		20,000
3130	Native Vegetation Offsets	96,000		96,000
3305	Fence Replacement Program - Internal Fences at Council Reserves	30,000		30,000
1299	Risk Management Works within Council Reserves	20,000	20,000	
3423	Various Reserves - Shade Structures	20,000		20,000
3580	Park Furniture improvement program	25,000		25,000
		723,000	332,000	391,000
Passive Reserves				
3581	George Pentland Botanic Gardens - Masterplan Implementation	175,000	175,000	
3582	Beauty Park - Masterplan Implementation	40,000	40,000	
		215,000	215,000	
Playgrounds				
3583	Jubilee Park Playground	40,000	20,000	20,000
3584	Playground Improvements/Demolition	40,000	40,000	
3585	Playground Undersurfacing Renewal Program	40,000	40,000	
3586	Playground Strategy Implementation - District Parks - New/Upgrade	20,000	20,000	
3587	Playground Strategy Implementation - Local Parks - New/Upgrade	215,000	80,000	135,000
		355,000	200,000	155,000

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CAPITAL WORKS PROGRAM
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Proj. Code	Project name	2012/13 Budget Allocation	Rates Funded	Other Funding Source
Sporting Infrastructure				
3413	Sandfield Reserve Skate Facilities Development	227,000	227,000	
3588	Sporting Ground - Surface Renewal	115,000	75,000	40,000
3589	Skye Football Club Sports Lighting Upgrade	60,000	30,000	30,000
3590	Belvedere Reserve Precinct Plan Implementation	30,000	30,000	
3591	Lloyd Park Masterplan Implementation	21,000		21,000
3595	Sporting Ground - Pitch Cover Renewal	50,000	50,000	
3592	Sporting Ground - Pitch Cover Renewal	16,000	16,000	
3593	Sporting Ground - Goal Post Replacement Program	5,000	5,000	
3594	Skye Reserve - Masterplan Implementation	258,000		258,000
		782,000	433,000	349,000
Parks & Leisure Total		2,978,600	2,044,600	934,000
Plant, Equipment, Furniture and Artwork				
Artworks				
1451	CAA Public Artworks Program	30,000	30,000	
1251	Municipal Public Artworks Program	150,000	150,000	
		180,000	180,000	
IT Assets				
1590	Annual File Server Replacement Program	48,000	48,000	
1294	Annual PC Upgrade	178,000	178,000	
1305	Mobile Computing Hardware Renewal	30,000	30,000	
3268	Telephony System Replacement	400,000	400,000	
1309	GIS - Aerial Photography Update	55,000	55,000	
1312	Asset Management Information System (AMIS)	343,000	343,000	
2631	Obbie - Functionality Enhancements	80,000	80,000	
3096	Pathway - Functionality Enhancements	30,000	30,000	
1302	Web Development	87,000	87,000	
1930	Aged Services Software Replacement	36,000	36,000	
3266	Office 2010 / Windows 7 Implementation	65,000	65,000	
3428	OD Systems Enhancements	20,000	20,000	
3267	GIS System Enhancements	32,000	32,000	
3597	Golfcourse irrigation system automation upgrade	7,000	7,000	
3209	TechnologyOne Functionality Enhancements	20,000	20,000	
3165	Interplan - Functionality Enhancements	20,000	20,000	
		1,451,000	1,451,000	
Furniture and Equipment				
1469	Library Collection	600,000	600,000	
1288	Office Furniture & Equipment - OG	50,000	50,000	
2808	Library Furnishing & Equipment Renewal	12,000	12,000	
3596	Carrum Downs Library Furniture	10,000	10,000	
		672,000	672,000	

Appendix C
CAPITAL WORKS PROGRAM
 2012/13 ANNUAL BUDGET



Proj. Code	Project name	2012/13 Budget Allocation	Rates Funded	Other Funding Source
Plant and Equipment				
3087	72 Litre Litter Bin Replacement - Throughout City	25,000	25,000	
1304	Plant & Equipment Replacement	1,315,400	1,037,400	278,000
1234	Light vehicles Replacement	1,250,000	450,000	800,000
3598	New Plant & Equipment	121,000	121,000	
2525	New Heavy Vehicles	250,000	250,000	
3089	Safe City Surveillance System "CCTV Camera Program"	115,000	115,000	
3599	New Light Vehicles	30,000	30,000	
3600	30 Cubic Metre Waste Bins	30,000	30,000	
		3,136,400	2,058,400	1,078,000

Plant, Equipment, Furniture and Artwork Total	5,439,400	4,361,400	1,078,000
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Stormwater Management

Drainage				
3554	Seaford Drainage Strategy Implementation	100,000	100,000	
3000	Dandenong Road East Drainage Strategy Implementation	50,000	50,000	
3459	Drainage Upgrade - 9-11 William Street Frankston	100,000	100,000	
3458	Easement Drainage Pit Alterations	100,000	100,000	
3555	Construction of an easement drain at Sycamore Street, Langwarrin	60,000	60,000	
3467	Drainage Upgrade - 541 Nepean Hwy-Cliff Rd Fktn	40,000	40,000	
3556	Drainage Upgrade - 54 Williams St Frankston Sth	30,000	30,000	
3557	Drainage Audit and Data Capture (Strategy areas)	160,000	160,000	
3558	Drainage upgrade between James Street and Rex Street	150,000	150,000	
3466	Drainage Upgrade - 3 Myall Place Frankston South	15,000	15,000	
3525	Minor Drainage Works -	50,000	50,000	
3559	Drainage upgrade and catchment analysis of Humphries Road near 171.	30,000	30,000	
3560	Drainage upgrade at 89 Warandyte Road	75,000	75,000	
3527	Drainage upgrade at Marama Drive Frankston South	150,000	150,000	
3561	Frankston South Drainage Strategy Implementatation	85,000	85,000	
		1,195,000	1,195,000	

Sustainable Water

3471	Robinsons Reserve Water Recycling Scheme	5,000	5,000	
		5,000	5,000	

Stormwater Management Total	1,200,000	1,200,000	-
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Appendix C
CAPITAL WORKS PROGRAM
 2012/13 ANNUAL BUDGET



Proj. Code	Project name	2012/13 Budget Allocation	Rates Funded	Other Funding Source
Transportation				
Lighting				
1260	Lighting Upgrades	10,000	10,000	
		10,000	10,000	
Parking Areas				
3328	Carpark Renewal Program	63,500	63,500	
		63,500	63,500	
Pathways				
2812	Footpath Renewal Program	744,100	744,100	
3101	City Wide Pathway and Cycle Way Plan Development	650,000	650,000	
3336	Vehicle Crossing Renewal Program - Council Assets	77,700	77,700	
3562	Crossings Program	49,700	49,700	
3563	Bicycle Path Safety Upgrades	70,000	70,000	
2685	Various Reserves - Footpath Renewal Program / xover installation - Risk Mgt	20,000	20,000	
3564	Footpath Connection - Tangenong Reserve	10,000	10,000	
		1,621,500	1,621,500	
Roadway				
2657	Road Renewal Program	2,750,000	2,266,000	484,000
3565	Kerb Renewal Program	63,000	63,000	
3325	Greenlink Strategy - Integrated streetscape, road & drainage renewal	427,000	350,000	77,000
3482	Frankston-Flinders Road service road reseal and carparking	200,000	150,000	50,000
3566	Retaining Wall Construction - McClelland Drive and Edward Street, Langwarrin	90,000	90,000	
3567	Road Asset Condition Surveys	40,000	40,000	
3214	Special Charge Scheme - Union Road, Langwarrin (Cozy Valley Road to Mathew	10,000	10,000	
3568	Identity Signage for Carrum Downs Industrial Precinct	20,000	20,000	
		3,600,000	2,989,000	611,000

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Proj. Code	Project name	2012/13 Budget Allocation	Rates Funded	Other Funding Source
Streetscape				
3569	CAA Streetscape - Structure Plan Implementation - Refresh	100,000	50,000	50,000
3570	CAA Streetscape - Furniture Presentation Improvements	125,000	62,500	62,500
3571	CAA Streetscape - Structure Plan Implementation - Signature Tree Planting Gateway Sites	50,000	25,000	25,000
3572	CAA Streetscape - Structure Plan Implementation	475,000	237,500	237,500
3573	CAA Streetscape - Structure Plan Implementation - Nepean Highway	250,000	125,000	125,000
3182	Neighbourhood Streetscape - Beach Street (West), Frankston	40,000	40,000	
		1,040,000	540,000	500,000
Traffic Management				
3344	Traffic Devices Device - Renewal Programme	300,000	300,000	
3453	Gould Street Renewal Route Treatments	120,000	120,000	
3118	LATM - Lyrebird Drive Precinct	10,000	10,000	
3188	LATM - Overport Precinct	68,000	68,000	
3161	LATM - Heatherhill Precinct	30,000	30,000	
		528,000	528,000	
Roads Total		6,863,000	5,752,000	1,111,000
Total 2012/13 Capital Works Program		34,969,516	20,447,000	14,522,516

Appendix D

FIVE YEAR CAPITAL WORKS PROGRAM

2012/13 to 2016/17



ASSET	PROGRAM	DESCRIPTION	2012/13 FUNDING ALLOCATION	2013/14 PROPOSED funding allocation	2014/15 PROPOSED funding allocation	2015/16 PROPOSED funding allocation	2016/17 PROPOSED funding allocation
Bridges and Pedestrian Structures							
	Pedestrian	Renewal, upgrade and development of new Bridges, Staircases and Boardwalks - on and off road.	950,000	1,515,000	2,803,000	2,991,000	3,177,000
	Vehicular	Renewal, upgrade and development of Barriers and Guardrails	70,000	100,000	100,000	100,000	100,000
Bridges and Pedestrian Structures Total			1,020,000	1,615,000	2,903,000	3,091,000	3,277,000
Facilities							
	Arts & Library Precinct	Renewal, upgrade and development of new cultural and arts facilities, e.g. Frankston Arts Centre, Frankston & Carrum Downs Libraries	689,000	0	281,000	60,000	30,000
	Community	Renewal, upgrade and development of new community facilities, e.g. Community Halls, Public Toilets and Neighbourhood Houses	400,000	0	60,000	50,000	250,000
	Family & Youth	Renewal, upgrade and development of new community facilities, e.g. Maternal & Child Health Centre and Preschools	1,737,200	1,850,000	300,000	650,000	3,990,000
	Land	The purchase of land for the community e.g. Public Open Space	200,000	0	200,000	200,000	2,500,000
	Municipal	Renewal, upgrade and development of new civic facilities, e.g. Civic, Operations, Aquatic Centre and Visitor Information Centre	11,952,316	39,329,000	5,386,000	7,328,000	3,610,000
	Recreation	Renewal, upgrade and development of new community facilities, e.g. Sporting Pavilions	2,490,000	900,000	3,375,000	970,000	1,120,000
Facilities Total			17,468,516	42,079,000	9,602,000	9,258,000	11,500,000
Parks and Leisure							
	Foreshore	Renewal, upgrade and development of new Foreshore parks and leisure areas, e.g. Kananook Creek Reserve, Keast Park	672,600	664,000	411,350	690,000	535,000
	Natural Reserves	Renewal, upgrade and development of new Natural reserve areas, e.g. Sweetwater Creek Reserve, Carrum Downs	231,000	95,000	183,000	285,000	60,000
	Park Management	Renewal and upgrade of public open space across the municipality.	723,000	817,000	881,000	799,000	794,000
	Playgrounds	Renewal, upgrade and development of new Playgrounds, e.g. Jubilee Park, Belvedere	355,000	102,130	356,000	340,000	590,000
	Passive Reserves	Renewal, upgrade and development of new Passive Reserves within the municipality, e.g. George Pentland Botanic Gardens, Beauty Park	215,000	175,000	438,000	447,000	133,000
	Sporting Infrastructure	Renewal, upgrade and development of new sporting facilities, e.g. sporting grounds, skate park and Centenary Park Golf Course	782,000	817,000	554,000	423,000	1,051,000
Parks and Leisure Total			2,978,600	2,670,130	2,823,350	2,984,000	3,163,000
Plant, Equipment, Furniture and Artwork							
	Artworks	A program designed to provide integrated public art components and cultural value to the community.	180,000	0	70,000	232,800	145,700
	IT Assets	A program to provide technology, people, processes and information to provide guidance and efficiencies to the organisation.	1,451,000	1,209,270	892,100	1,040,000	971,000
	Furniture and Equipment	Renewal and upgrade of the library collection, furniture and equipment.	672,000	810,000	750,000	750,000	750,000
	Plant and Equipment	Program of new plant purchase for new services and program to replace vehicles, plant and equipment.	3,136,400	2,897,000	3,162,000	3,168,000	3,121,000
Plant, Equipment, Furniture and Artwork Total			5,439,400	4,916,270	4,874,100	5,190,800	4,987,700

Appendix D

FIVE YEAR CAPITAL WORKS PROGRAM

2012/13 to 2016/17



ASSET	PROGRAM	DESCRIPTION	2012/13 FUNDING ALLOCATION	2013/14 PROPOSED funding allocation	2014/15 PROPOSED funding allocation	2015/16 PROPOSED funding allocation	2016/17 PROPOSED funding allocation
Roads							
	Lighting	Renewal, upgrade and development of new public lighting	10,000	10,000	20,000	20,000	20,000
	Parking Areas	Renewal, upgrade and development of new car parks - off road	63,500	63,500	458,500	573,500	363,500
	Pathways	Renewal, upgrade and development of new pathways including bike and shared paths	1,621,500	1,018,100	1,791,750	1,739,300	1,701,746
	Roadway	Renewal, upgrade and development of new roadsides, e.g. kerb & channel and road shoulders	3,600,000	4,248,000	3,754,300	3,645,400	3,658,054
	Streetscape	Renewal, upgrade and development of new streetscapes around shopping precincts.	1,040,000	1,400,000	1,060,000	1,410,000	1,960,000
	Traffic Management	Renewal, upgrade and development of new traffic management devices to existing streets to enhance safety and local amenity.	528,000	400,000	415,000	454,000	520,000
Roads Total			6,863,000	7,139,600	7,499,550	7,842,200	8,223,300
Stormwater Management							
	Drainage	Flood mitigation works as identified through Frankston City Council's drainage strategy report and major drainage issues identified through Council's customer response system.	1,195,000	737,000	1,250,000	1,676,000	1,965,000
	Sustainable Water	Initiatives to reduce environmental impact from new and existing Council facilities, drought proofing Council's reserves and improving the quality of Council's stormwater runoff.	5,000	593,000	492,000	180,000	0
Stormwater Management Total			1,200,000	1,330,000	1,742,000	1,856,000	1,965,000
GRAND TOTAL			34,969,516	59,750,000	29,444,000	30,222,000	33,116,000

Appendix E

NEW OPERATIONAL INITIATIVES

2012/13 ANNUAL BUDGET



Service Unit	Initiative/Project Description	Include in 2012/13 Budget	Funding Type
Council	Additional Councillor Support	\$42,710	Ongoing
Rates and Valuations	Value Non Rateable Properties Project	\$35,000	One Year Only
Rates and Valuations	Increased Payment Options for Rates Notice - Direct Debit	\$6,000	One Year Only
Information Technology	Comms Link upgrade	\$9,120	Ongoing
Total Council, CEO and Corporate		\$92,830	
Community Safety	Smoke Free Outdoor Area	\$18,000	One Year Only
Community Safety	Gambling Research Projects	\$163,539	Ongoing
Library	Children's Librarian	\$42,710	Ongoing
Community Safety	Review of Fire Management Plans	\$20,000	One Year Only
Total Communities		\$244,249	
Biodiversity	Rural Roads - Hazard Tree Works	\$17,000	Ongoing
Physical Services	Emergency Management mock exercise	\$10,000	One Year Only
Civil Infrastructure Maintenance	Drainage Maintenance - Increased Pit Cleaning	\$120,000	Ongoing
Total Assets		\$147,000	
Major Projects Management	Administration Officer	\$76,919	Ongoing
Visitor Information Centre	Additional Visitor Information Centre Backfill for 52 week roster	\$20,004	Ongoing
Strategic Planning	Strategy to address Public Open Space Deficiencies	\$25,000	One Year Only
Strategic Planning	Panel Hearing Expenses	\$19,000	One Year Only
Strategic Planning	Frankston Open Space Strategy	\$25,000	One Year Only
Economic Development	Ironman	\$20,000	Ongoing
Economic Development	Initiatives from the Work Life Frankston community strategy	\$30,000	Ongoing
Economic Development	Buy Local (Ballarat Model) - Economic Resilience Package	\$40,000	One Year Only
Economic Development	Business Conferencing and Accommodation Attraction	\$40,000	One Year Only
Economic Development	Renew Frankston	\$120,000	One Year Only
Economic Development	Business Grants	\$66,000	One Year Only
Total Development		\$481,923	
Total New Operational Initiatives		\$966,002	

Appendix F

Frankston City Council 2012/13 Proposed Fees & Charges



FRANKSTON CITY COUNCIL 2012/13 BUDGET

Type of Fees and Charges	UNIT CHARGE RATE	GST Applied 10% Y/N	Adopted 2011-12 Fee GST Incl.	Proposed 2012-13 Fee GST Incl.	Fee Increase \$
INFRASTRUCTURE					
Drainage Tapings (Roads & Easements)	Per Application	No	\$ 165.00	\$ 173.50	\$ 8.50
Flood Plain Building Approval	Per Application	No	\$ 100.00	\$ 105.00	\$ 5.00
Fees -Building Over Easements	Per Application	No	\$ 60.00	\$ 63.00	\$ 3.00
Fees & Fines Asset Protection	Per Application	No	\$ 200.00	\$ 200.00	\$ -
RMA Fees - VC, Nature strips, Road Openings	Per Application	No	\$ 100.00	\$ 100.00	\$ -
Asset Protection Permit	Per Application	No	\$ 160.00	\$ 165.00	\$ 5.00
Dispensation Corner Fencing	Per Application	No	\$ 110.00	\$ 110.00	\$ -
Sale of plans	Per Application	No	\$ 110.00	\$ 115.60	\$ 5.60
Legal Point Of Discharge	Per Application	No	\$ 55.55	\$ 56.75	\$ 1.20
WASTE					
Green waste fees- Full year	Per Bin	No	\$ 107.00	\$ 113.60	\$ 6.60
Green waste fees- 3/4 year	Per Bin	No	\$ 80.25	\$ 85.20	\$ 4.95
Green waste fees- 1/2 year	Per Bin	No	\$ 53.50	\$ 56.80	\$ 3.30
Green waste fees- 1/4year	Per Bin	No	\$ 26.75	\$ 28.40	\$ 1.65
Commercial and Duplicate Bins- Full year	Per Bin	No	\$ 192.40	\$ 245.30	\$ 52.90
Commercial and Duplicate Bins- 3/4 year	Per Bin	No	\$ 144.30	\$ 184.00	\$ 39.70
Commercial and Duplicate Bins- 1/2 year	Per Bin	No	\$ 96.20	\$ 122.65	\$ 26.45
Commercial and Duplicate Bins- 1/4year	Per Bin	No	\$ 48.10	\$ 61.35	\$ 13.25
PARKS					
Reserves					
Parks Crossing Fees	Per Application	No	\$ 500.00	\$ 505.00	\$ 5.00
Frankston South Community & Rec Centre					
Agestrong Income Jul-Dec	Per Class	Yes	\$ 5.00	\$ 5.00	\$ -
Agestrong Income Jan-Jun	Per Class	Yes	\$ 5.00	\$ 5.50	\$ 0.50
Corporate 1/2 day Jul-Dec	Per Half Day	Yes	\$ 70.00	\$ 70.00	\$ -
Corporate 1/2 day Jan-Jun	Per Half Day	Yes	\$ 70.00	\$ 73.50	\$ 3.50
Corporate full day Jul-Dec	Per Day	Yes	\$ 140.00	\$ 140.00	\$ -
Corporate full day Jan-Jun	Per Day	Yes	\$ 140.00	\$ 147.00	\$ 7.00
FCC run activities Badminton Comp Jul-Dec	Per Class	Yes	\$ 8.00	\$ 8.00	\$ -
FCC run activities Badminton Comp Jan-Jun	Per Class	Yes	\$ 8.00	\$ 8.50	\$ 0.50
FCC run activities Pryme Ball Jan-Jun	Per Class	Yes	\$ 6.50	\$ 6.50	\$ -
FCC run activities Pryme Ball Jul-Dec	Per Class	Yes	\$ 6.50	\$ 7.00	\$ 0.50
FCC run activities Social Badminton Jul-Dec	Per Class	Yes	\$ 7.00	\$ 7.00	\$ -
FCC run activities Social Badminton Jan-Jun	Per Class	Yes	\$ 7.00	\$ 7.50	\$ 0.50
FCC run exercise program Jul-Dec	Per Class	Yes	\$ 6.00	\$ 6.50	\$ 0.50
FCC run exercise program Jan-Jun	Per Class	Yes	\$ 6.50	\$ 7.00	\$ 0.50
Hire of FSRC facilities - Energise room Jul-Dec	Per Hour	Yes	\$ 17.50	\$ 17.50	\$ -
Hire of FSRC facilities - Energise room Jan-Jun	Per Hour	Yes	\$ 17.50	\$ 18.50	\$ 1.00
Hire of FSRC facilities - meeting room 1 - commercial Jul-Dec	Per Hour	Yes	\$ 21.00	\$ 21.00	\$ -
Hire of FSRC facilities - meeting room 1 - commercial Jan-Jun	Per Hour	Yes	\$ 21.00	\$ 22.00	\$ 1.00
Hire of FSRC facilities - meeting room 1 - community Jul-Dec	Per Hour	Yes	\$ 18.00	\$ 18.00	\$ -
Hire of FSRC facilities - meeting room 1 - community Jan-Jun	Per Hour	Yes	\$ 18.00	\$ 19.00	\$ 1.00
Hire of FSRC facilities - meeting room 2 - commercial Jul-Dec	Per Hour	Yes	\$ 21.00	\$ 21.00	\$ -
Hire of FSRC facilities - meeting room 2 - commercial Jan-Jun	Per Hour	Yes	\$ 21.00	\$ 22.00	\$ 1.00
Hire of FSRC facilities - meeting room 2 - community Jul-Dec	Per Hour	Yes	\$ 18.00	\$ 18.00	\$ -
Hire of FSRC facilities - meeting room 2 - community Jan-Jun	Per Hour	Yes	\$ 18.00	\$ 19.00	\$ 1.00
Hire of FSRC facilities - Relaxation Room Jul-Dec	Per Hour	Yes	\$ 18.00	\$ 18.00	\$ -
Hire of FSRC facilities - Relaxation Room Jan-Jun	Per Hour	Yes	\$ 18.00	\$ 19.00	\$ 1.00
Hire of FSRC facilities - stadium Jul-Dec	Per Hour	Yes	\$ 25.00	\$ 25.00	\$ -
Hire of FSRC facilities - stadium Jan-Jun	Per Hour	Yes	\$ 25.00	\$ 26.50	\$ 1.50
Tumble Gym Income Jul-Dec	Per Class	Yes	\$ 11.00	\$ 11.00	\$ -
Tumble Gym Income Jan-Jun	Per Class	Yes	\$ 11.00	\$ 11.50	\$ 0.50

Appendix F
Frankston City Council
2012/13 Proposed Fees & Charges



Type of Fees and Charges	UNIT CHARGE RATE	GST Applied 10% Y/N	Adopted 2011-12 Fee GST Incl.	Proposed 2012-13 Fee GST Incl.	Fee Increase \$
Pines Pool					
Adult Swim Entry	Per Admission	Yes	\$ 5.20	\$ 5.30	\$ 0.10
Child Swim Entry	Per Admission	Yes	\$ 3.70	\$ 3.90	\$ 0.20
Pensioner Swim Entry	Per Admission	Yes	\$ 3.70	\$ 3.80	\$ 0.10
Student Swim Entry	Per Admission	Yes	\$ 3.70	\$ 3.90	\$ 0.20
Family Swim (2+2)	Per Admission	Yes	\$ 14.20	\$ 15.00	\$ 0.80
Spectators	Per Admission	Yes	\$ 2.00	\$ 2.00	\$ -
Adult 50 Swim Book	Per Pass	Yes	\$ 195.00	\$ 205.00	\$ 10.00
Adult 25 Swim Book	Per Pass	Yes	\$ 110.00	\$ 115.00	\$ 5.00
Adult 10 Swim Book	Per Pass	Yes	\$ 47.00	\$ 50.00	\$ 3.00
Pines Merchandise	Per Pass	Yes	\$ 5.70	\$ 6.00	\$ 0.30
Pines Slide	Per Slide	Yes	\$ 1.00	\$ 1.00	\$ -
School Lane Hire	Per Hire	Yes	\$ 35.00	\$ 37.00	\$ 2.00
Pool and Slide Bookings	Per Booking	No	\$ 210.00	\$ 220.00	\$ 10.00
Miscell. Income (Squad)	Annual charge	No	\$ 14.00	\$ 15.00	\$ 1.00
Jubilee Pool					
Adult entry fees	Per Admission	Yes	\$ 5.20	\$ 5.50	\$ 0.30
Child	Per Admission	Yes	\$ 3.70	\$ 3.90	\$ 0.20
Student	Per Admission	Yes	\$ 3.70	\$ 3.90	\$ 0.20
Pensioner	Per Admission	Yes	\$ 3.70	\$ 3.80	\$ 0.10
Family Swim	Per Admission	Yes	\$ 14.20	\$ 15.00	\$ 0.80
Swim/Sauna/Spa (Adult)	Per Admission	Yes	\$ 9.90	\$ 10.50	\$ 0.60
Swim/ /Spa (Pens, Child)	Per Admission	Yes	\$ 7.50	\$ 7.80	\$ 0.30
Adult Water Aerobics	Per Class	Yes	\$ 11.50	\$ 12.00	\$ 0.50
Concession Water Aerobics	Per Class	Yes	\$ 10.40	\$ 10.80	\$ 0.40
Locker Hire	Per Hire	Yes	\$ 1.00	\$ 1.00	\$ -
Swim School fees	Per Class	No	\$ 13.00	\$ 13.70	\$ 0.70
Birthday Parties	Per Booking	Yes	\$ 14.20	\$ 15.00	\$ 0.80
Lessons/Schools	Per Class	No	\$ 5.00	\$ 5.30	\$ 0.30
Adult SSS Membership 3 month	Per Membership Per Q	Yes	\$ 295.00	\$ 310.00	\$ 15.00
Adult SSS Membership 12 month	Per Membership Per Y	Yes	\$ 885.00	\$ 930.00	\$ 45.00
Conc. SSS Membership 3 month	Per Membership Per Q	Yes	\$ 220.00	\$ 228.00	\$ 8.00
Conc. SSS Membership 12 month	Per Membership Per Y	Yes	\$ 660.00	\$ 684.00	\$ 24.00
Adult Swim Membership 3 month	Per Membership Per Q	Yes	\$ 150.00	\$ 158.00	\$ 8.00
Adult Swim Membership 12 month	Per Membership Per Y	Yes	\$ 450.00	\$ 474.00	\$ 24.00
Conc. Swim Membership 3 month	Per Membership Per Q	Yes	\$ 97.00	\$ 100.50	\$ 3.50
Conc. Swim Membership 12 month	Per Membership Per Y	Yes	\$ 295.00	\$ 305.75	\$ 10.75
Conc. Off Peak Membership 3 month	Per Membership Per Q	Yes	\$ 86.00	\$ 89.20	\$ 3.20
25 Adult Swim	Per Pass	Yes	\$ 110.00	\$ 115.50	\$ 5.50

Appendix F

Frankston City Council 2012/13 Proposed Fees & Charges



FRANKSTON CITY COUNCIL 2012/13 BUDGET

Type of Fees and Charges	UNIT CHARGE RATE	GST Applied 10% Y/N	Adopted 2011-12 Fee GST Incl.	Proposed 2012-13 Fee GST Incl.	Fee Increase \$
25 Concession Swim	Per Pass	Yes	\$ 80.00	\$ 82.80	\$ 2.80
50 Adult Swim	Per Pass	Yes	\$ 195.00	\$ 205.00	\$ 10.00
50 Concession Swim	Per Pass	Yes	\$ 135.00	\$ 139.80	\$ 4.80
10 Adult Swim	Per Pass	Yes	\$ 47.00	\$ 50.00	\$ 3.00
10 Concession Swim	Per Pass	Yes	\$ 33.00	\$ 34.20	\$ 1.20
20 Swim Spa Sauna Aerobics	Per Pass	Yes	\$ 160.00	\$ 168.00	\$ 8.00
10 Swim Spa Sauna Aerobics	Per Pass	Yes	\$ 85.00	\$ 90.00	\$ 5.00
20 Concession SSS Aerobics	Per Pass	Yes	\$ 110.00	\$ 114.00	\$ 4.00
10 Concession SSS Aerobics	Per Pass	Yes	\$ 63.00	\$ 65.30	\$ 2.30
Instructor Hire	Per Hire	Yes	\$ 37.00	\$ 39.00	\$ 2.00
JP Hire	Per Hire	Yes	\$ 175.00	\$ 184.00	\$ 9.00
Training	Per Hour	Yes	\$ 27.50	\$ 29.00	\$ 1.50
Monash memberships	Per Membership Per Y	Yes	\$ 105.00	\$ 110.00	\$ 5.00
Boat Launching					
Boat Launching Fees - Resident	Per Permit	No	\$ 37.00	\$ 39.00	\$ 2.00
Boat Launching Fees - Non resident	Per Permit	No	\$ 74.00	\$ 78.00	\$ 4.00
Boat Launching Fees - Replacement permits	Per Permit	No	\$ 7.00	\$ 8.00	\$ 1.00
Boat Launching Fees - 24 Hour	Per Day	No	\$ 8.00	\$ 10.00	\$ 2.00
Golf Course					
18 holes- Mid week	18 holes	Yes	\$ 24.50	\$ 26.00	\$ 1.50
9 holes- Mid week	9 holes	Yes	\$ 18.50	\$ 19.50	\$ 1.00
18 holes- Mid week Concession	18 holes	Yes	\$ 19.00	\$ 19.70	\$ 0.70
9 holes- Mid week Concession	18 holes	Yes	\$ 15.00	\$ 15.50	\$ 0.50
18 holes- Weekend	18 holes	Yes	\$ 28.00	\$ 30.00	\$ 2.00
9 holes- Weekend	9 holes	Yes	\$ 20.50	\$ 21.50	\$ 1.00
18 holes- Weekend Junior	18 holes	Yes	\$ 19.00	\$ 20.00	\$ 1.00
9 holes- Weekend Junior	9 holes	Yes	\$ 16.00	\$ 17.00	\$ 1.00
Season Tickets- Adult (play Saturday or Sunday)	Season Tickets	Yes	\$ 880.00	\$ 925.00	\$ 45.00
Season Tickets- Pensioner (Weekdays)	Season Tickets	Yes	\$ 590.00	\$ 611.00	\$ 21.00
Season Tickets- Senior Card Holder - Mid week Concession	Season Tickets	Yes	n/a	\$ 620.00	\$ 620.00
Season Tickets- Junior/Student	Season Tickets	Yes	\$ 310.00	\$ 325.00	\$ 15.00

Appendix F

Frankston City Council 2012/13 Proposed Fees & Charges



FRANKSTON CITY COUNCIL 2012/13 BUDGET

Type of Fees and Charges	UNIT CHARGE RATE	GST Applied 10% Y/N	Adopted 2011-12 Fee GST Incl.	Proposed 2012-13 Fee GST Incl.	Fee Increase \$
Hall Hire					
Mechanics Hall - Hourly Hire Retail/Commercial - Jul-Dec	Per Hour	Yes	\$ 28.50	\$ 30.00	\$ 1.50
Mechanics Hall - Hourly Hire Retail/Commercial - Jan-Jun	Per Hour	Yes	\$ 30.00	\$ 32.00	\$ 2.00
Mechanics Hall - Hourly Hire Casual - Jul-Dec	Per Hour	Yes	\$ 18.00	\$ 18.80	\$ 0.80
Mechanics Hall - Hourly Hire Casual - Jan-Jun	Per Hour	Yes	\$ 18.80	\$ 20.00	\$ 1.20
Mechanics Hall - Hourly Hire Permanent - Jul-Dec	Per Hour	Yes	\$ 15.80	\$ 16.50	\$ 0.70
Mechanics Hall - Hourly Hire Permanent - Jan-Jun	Per Hour	Yes	\$ 16.50	\$ 17.50	\$ 1.00
Mechanics Hall - Block Hire 3.00pm - 1.30am - Jul-Dec	Per Booking	Yes	\$ 192.00	\$ 200.00	\$ 8.00
Mechanics Hall - Block Hire 3.00pm - 1.30am - Jan-Jun	Per Booking	Yes	\$ 200.00	\$ 210.00	\$ 10.00
Bruce Park Hall - Hourly Hire Retail/Commercial - Jul-Dec	Per Hour	Yes	\$ 29.70	\$ 30.00	\$ 0.30
Bruce Park Hall - Hourly Hire Retail/Commercial - Jan-Jun	Per Hour	Yes	\$ 30.00	\$ 30.00	\$ -
Bruce Park Hall - Hourly Hire Casual - Jul-Dec	Per Hour	Yes	\$ 18.80	\$ 19.00	\$ 0.20
Bruce Park Hall - Hourly Hire Casual - Jan-Jun	Per Hour	Yes	\$ 19.00	\$ 19.00	\$ -
Bruce Park Hall - Hourly Hire Permanent - Jul-Dec	Per Hour	Yes	\$ 16.50	\$ 17.50	\$ 1.00
Bruce Park Hall - Hourly Hire Permanent - Jan-Jun	Per Hour	Yes	\$ 17.50	\$ 17.50	\$ -
Bruce Park Hall - Block Hire 3.00pm - 1.30am - Jul-Dec	Per Booking	Yes	\$ 200.00	\$ 210.00	\$ 10.00
Bruce Park Hall - Block Hire 3.00pm - 1.30am - Jan-Jun	Per Booking	Yes	\$ 210.00	\$ 210.00	\$ -
Bruce Park Hall - Senior Rates - Jul-Dec	Per Hour	Yes	\$ 4.70	\$ 4.90	\$ 0.20
Bruce Park Hall - Senior Rates - Jan-Jun	Per Hour	Yes	\$ 4.90	\$ 4.90	\$ -
Langwarrin Hall - Hourly Hire Permanent - Jul-Dec	Per Hour	Yes	\$ 16.50	\$ 17.30	\$ 0.80
Langwarrin Hall - Hourly Hire Permanent - Jan-Jun	Per Hour	Yes	\$ 17.30	\$ 17.30	\$ -
Langwarrin Hall - Hourly Hire Retail/Commercial - Jul-Dec	Per Hour	Yes	\$ 29.70	\$ 31.20	\$ 1.50
Langwarrin Hall - Hourly Hire Retail/Commercial - Jan-Jun	Per Hour	Yes	\$ 31.20	\$ 31.20	\$ -
Langwarrin Hall - Block Hire 3.00pm - 1.30am - Jul-Dec	Per Booking	Yes	\$ 200.00	\$ 210.00	\$ 10.00
Langwarrin Hall - Block Hire 3.00pm - 1.30am - Jan-Jun	Per Booking	Yes	\$ 210.00	\$ 210.00	\$ -
Langwarrin Hall - Hourly Hire Casual - Jul-Dec	Per Hour	Yes	\$ 18.80	\$ 19.70	\$ 0.90
Langwarrin Hall - Hourly Hire Casual - Jan-Jun	Per Hour	Yes	\$ 19.70	\$ 19.70	\$ -
Seaford Hall - Hourly Hire Retail/Commercial - Jul-Dec	Per Hour	Yes	\$ 41.60	\$ 43.70	\$ 2.10
Seaford Hall - Hourly Hire Retail/Commercial - Jan-Jun	Per Hour	Yes	\$ 43.70	\$ 43.70	\$ -
Seaford Hall - Hourly Hire Casual - Jul-Dec	Per Hour	Yes	\$ 29.70	\$ 31.20	\$ 1.50
Seaford Hall - Hourly Hire Casual - Jan-Jun	Per Hour	Yes	\$ 31.20	\$ 31.20	\$ -
Seaford Hall - Hourly Hire Permanent - Jul-Dec	Per Hour	Yes	\$ 18.80	\$ 19.70	\$ 0.90
Seaford Hall - Hourly Hire Permanent - Jan-Jun	Per Hour	Yes	\$ 19.70	\$ 19.70	\$ -
Seaford Hall - Block Hire 3.00pm - 1.30am - Jul-Dec	Per Booking	Yes	\$ 275.00	\$ 289.00	\$ 14.00
Seaford Hall - Block Hire 3.00pm - 1.30am - Jan-Jun	Per Booking	Yes	\$ 289.00	\$ 289.00	\$ -
Seaford Hall - Room Hourly Hire Casual - Jul-Dec	Per Hour	Yes	\$ 17.70	\$ 18.50	\$ 0.80
Seaford Hall - Room Hourly Hire Casual - Jan-Jun	Per Hour	Yes	\$ 18.50	\$ 18.50	\$ -
Seaford Hall - Room Hourly Hire Retail/Commercial - Jul-Dec	Per Hour	Yes	\$ 18.80	\$ 20.00	\$ 1.20
Seaford Hall - Room Hourly Hire Retail/Commercial - Jan-Jun	Per Hour	Yes	\$ 20.00	\$ 20.00	\$ -
Seaford Hall - Room Hourly Hire Permanent - Jul-Dec	Per Hour	Yes	\$ 15.30	\$ 16.00	\$ 0.70
Seaford Hall - Room Hourly Hire Permanent - Jan-Jun	Per Hour	Yes	\$ 16.00	\$ 16.00	\$ -
Seaford Hall - Senior Rates - Jul-Dec	Per Hour	Yes	\$ 4.70	\$ 4.80	\$ 0.10
Seaford Hall - Senior Rates - Jan-Jun	Per Hour	Yes	\$ 4.80	\$ 4.80	\$ -
Environment					
Local Law 17	Per Application	No	\$ 90.00	\$ 94.00	\$ 4.00
Guidelines for street tree removal - small	Per Application	Yes	\$ 794.00	\$ 834.00	\$ 40.00
Guidelines for street tree removal - medium	Per Application	Yes	\$ 1,444.00	\$ 1,517.00	\$ 73.00
Guidelines for street tree removal - large	Per Application	Yes	\$ 3,392.00	\$ 3,563.00	\$ 171.00
Net Gain setup & administration	Per Application	No	\$ 1,042.00	\$ 1,095.00	\$ 53.00
Developer contributions per tree	Per Application	No	\$ 156.25	\$ 157.80	\$ 1.55
Income from sale of Worm Farms	Per Bin	Yes	\$ 68.75	\$ 70.00	\$ 1.25
Income from sale of Compost Bins	Per Bin	Yes	\$ 34.40	\$ 35.00	\$ 0.60
Net Gain Setup & Admin	Per Application	No	\$ 2,083.00	\$ 2,190.00	\$ 107.00
Net Gain Setup & Admin	Per Application	No	\$ 521.00	\$ 550.00	\$ 29.00
Guidelines for street tree removal - indigenous self sown - small	Per Application	Yes	\$ 1,330.00	\$ 1,400.00	\$ 70.00
Guidelines for street tree removal - indigenous self sown - medium	Per Application	Yes	\$ 2,590.00	\$ 2,720.00	\$ 130.00
Guidelines for street tree removal - indigenous self sown - large	Per Application	Yes	\$ 6,256.00	\$ 6,570.00	\$ 314.00

Appendix F

Frankston City Council 2012/13 Proposed Fees & Charges



FRANKSTON CITY COUNCIL 2012/13 BUDGET

Type of Fees and Charges	UNIT CHARGE RATE	GST Applied 10% Y/N	Adopted 2011-12 Fee GST Incl.	Proposed 2012-13 Fee GST Incl.	Fee Increase \$
Planning					
BUILDING					
Variation/Extension Fee (Building Permit)	Per Application	Yes	\$ 132.00	\$ 138.70	\$ 6.70
Additional Permit Inspections (Building Permit)	Per Application	Yes	\$ 132.00	\$ 138.70	\$ 6.70
Lapsed Permit Inspections (Building Permit)	Per Application	Yes	\$ 220.00	\$ 242.00	\$ 22.00
Council applicant Event renewal (POPE)	Per Admission	No	\$ 200.00	\$ 220.00	\$ 20.00
Charity Event (POPE)	Per Application	Yes	\$ 330.00	\$ 385.00	\$ 55.00
Other Event (POPE)	Per Application	Yes	\$ 550.00	\$ 585.00	\$ 35.00
Project not more than \$5,000 (Minor Work Building Permit)	Per Application	Yes	\$ 462.00	\$ 485.30	\$ 23.30
Project over \$5000 (Minor Work Building Permit)	Per Application	Yes	\$ 583.00	\$ 612.40	\$ 29.40
Fences (other than brick) (Minor Work Building Permit)	Per Application	Yes	\$ 242.00	\$ 254.20	\$ 12.20
Residential - Basic (Demolition Building Permit)	Per Application	Yes	\$ 462.00	\$ 485.30	\$ 23.30
Residential Complex (Demolition Public space Building Permit)	Per Application	Yes	\$ 583.00	\$ 616.00	\$ 33.00
Commercial (Demolition Building Permit)	Per Application	Yes	\$ 693.00	\$ 728.00	\$ 35.00
Above Ground (Pool Building Permit)	Per Application	Yes	\$ 330.00	\$ 346.70	\$ 16.70
Below Ground not more than \$20,000 (Pool Building Permit)	Per Application	Yes	\$ 660.00	\$ 693.30	\$ 33.30
Below Ground over \$20,000 (Pool Building Permit)	Per Application	Yes	\$ 880.00	\$ 924.00	\$ 44.00
Pool Fencing/Barriers (Pool Building Permit)	Per Application	Yes	\$ 242.00	\$ 254.00	\$ 12.00
Project Value up to \$30,000 (Major Work Building Permit)	Per Application	Yes	\$ 693.00	\$ 728.00	\$ 35.00
Project Value up to \$60,000 (Major Work Building Permit)	Per Application	Yes	\$ 935.00	\$ 982.00	\$ 47.00
Project Value up to \$100,000 (Major Work Building Permit)	Per Application	Yes	\$ 1,100.00	\$ 1,155.00	\$ 55.00
Project Value up to \$200,000 (Major Work Building Permit)	Per Application	Yes	\$ 1,430.00	\$ 1,507.00	\$ 77.00
Project Value up to \$300,000 (Major Work Building Permit)	Per Application	Yes	\$ 1,804.00	\$ 1,903.00	\$ 99.00
Project Value up to \$400,000 (Major Work Building Permit)	Per Application	Yes	\$ 2,420.00	\$ 2,540.00	\$ 120.00
Dual Occupancies up to \$500,000(500sq.m) (Major Work Building Permit)	Per Application	Yes	\$ 2,310.00	\$ 2,425.00	\$ 115.00
Multi building up to \$200,000(300sq.m) per occupancy (Major Work Building Permit)	Per Application	Yes	\$ 1,045.00	\$ 1,155.00	\$ 110.00
Lodgement Fee (Administration)	Per Application	No	\$ 33.30	\$ 34.00	\$ 0.70
Retrieval and Copy of Documents (Residential)	Per Application	Yes	\$ 88.00	\$ 92.40	\$ 4.40
Retrieval of Documents (Industrial/Commercial)	Per Application	Yes	\$ 121.00	\$ 132.00	\$ 11.00
Copy of Documents A1 (Industrial/Commercial)	Per Application	Yes	\$ 8.80	\$ 10.00	\$ 1.20
Copy of Documents A0 (Industrial/Commercial)	Per Application	Yes	\$ 13.20	\$ 14.50	\$ 1.30
Request for Building Particulars (Administration)	Per Application	No	\$ 44.40	\$ 45.35	\$ 0.95
Dispensations (Surveyor Report and Consent)	Per Application	No	\$ 225.00	\$ 227.25	\$ 2.25
Council Information Requests	Per Application	No	\$ 44.40	\$ 46.60	\$ 2.20
Cost per \$100,000 (Residential)	Per Application	No	\$ 160.00	\$ 161.60	\$ 1.60
Cost per \$100,000 (Commercial/Industrial/Public)	Per Application	No	\$ 128.00	\$ 161.60	\$ 33.60
Development <\$10,000	Per Application	No	\$ 99.00	\$ 100.00	\$ 1.00
Single Dwelling \$10,000-\$100,000	Per Application	No	\$ 232.00	\$ 234.00	\$ 2.00
Single Dwelling >\$100,000	Per Application	No	\$ 476.00	\$ 481.00	\$ 5.00
Use Application	Per Application	No	\$ 487.00	\$ 492.00	\$ 5.00

Appendix F

Frankston City Council 2012/13 Proposed Fees & Charges



FRANKSTON CITY COUNCIL 2012/13 BUDGET

Type of Fees and Charges	UNIT CHARGE RATE	GST Applied 10% Y/N	Adopted 2011-12 Fee GST Incl.	Proposed 2012-13 Fee GST Incl.	Fee Increase \$
STATUTORY PLANNING					
Development \$10,000-\$250,000	Per Application	No	\$ 586.00	\$ 592.00	\$ 6.00
Development \$250,000-\$500,000	Per Application	No	\$ 686.00	\$ 693.00	\$ 7.00
Development \$500,000-\$1,000,000	Per Application	No	\$ 791.00	\$ 799.00	\$ 8.00
Development \$1,000,000-\$7,000,000	Per Application	No	\$ 1,119.00	\$ 1,130.00	\$ 11.00
Development \$7,000,000-\$10,000,000	Per Application	No	\$ 4,696.00	\$ 4,743.00	\$ 47.00
Development \$10,000,000-\$50,000,000	Per Application	No	\$ 7,829.00	\$ 7,907.00	\$ 78.00
Development >\$50,000,000	Per Application	No	\$ 15,660.00	\$ 15,816.60	\$ 156.60
Subdivision (realignment, two lots, and existing buildings)	Per Application	No	\$ 375.00	\$ 379.00	\$ 4.00
Subdivision (three or more lots)	Per Application	No	\$ 758.00	\$ 766.00	\$ 8.00
Subdivision (removal of restriction)	Per Application	No	\$ 242.00	\$ 244.00	\$ 2.00
Create vary or remove restriction or right of way	Per Application	No	\$ 525.00	\$ 530.00	\$ 5.00
Create vary or remove easement	Per Application	No	\$ 392.00	\$ 396.00	\$ 4.00
Certificate of Compliance	Per Application	No	\$ 143.00	\$ 144.00	\$ 1.00
Satisfaction Matters	Per Application	No	\$ 99.00	\$ 100.00	\$ 1.00
Secondary Consent	Per Application	No	\$ 107.50	\$ 112.90	\$ 5.40
Ext. of Time	Per Application	No	\$ 107.50	\$ 112.90	\$ 5.40
Copy of Permit and Plans post 2009	Per Request	No	\$ 107.50	\$ 112.90	\$ 5.40
Copy of Permit and plans pre 2009	Per Request	No	\$ 129.50	\$ 135.00	\$ 5.50
Copy of Permit pre 2009	Per Request	No	\$ 34.50	\$ 36.00	\$ 1.50
Copy of Permit post 2009	Per Request	No	\$ 22.00	\$ 23.00	\$ 1.00
Written Confirmation	Per Application	No	\$ 59.50	\$ 62.00	\$ 2.50
Subdivision Per application	Per Application	No	\$ 100.00	\$ 101.00	\$ 1.00
Subdivision fee per lot	Per Application	No	\$ 20.00	\$ 20.20	\$ 0.20
Subdivision recertification fee	Per Application	No	\$ 100.00	\$ 101.00	\$ 1.00
Public Notification preparation of advert fee	Per Application	No	\$ 32.00	\$ 80.00	\$ 48.00
Public Notification fee per letter	Per Application	No	\$ 6.25	\$ 5.00	\$ -1.25
Public Notification sign	Per Application	No	\$ 32.00	\$ 34.00	\$ 2.00
Photocopy A4 Sheets	Per Copy	Yes	\$ 1.00	\$ 1.10	\$ 0.10
Photocopy A3 Sheets	Per Copy	Yes	\$ 1.00	\$ 1.10	\$ 0.10
Photocopy A1 Sheets	Per Copy	Yes	\$ 8.80	\$ 9.20	\$ 0.40
Photocopy A0 Sheets	Per Copy	Yes	\$ 13.20	\$ 13.90	\$ 0.70
Town Planning Amendments	Per Application	No	\$ 1,751.00	\$ 1,768.50	\$ 17.50
Individual Fine	Per Application	No	\$ 585.00	\$ 590.80	\$ 5.80
Company Fine	Per Application	No	\$ 1,169.00	\$ 1,180.70	\$ 11.70

Appendix F
Frankston City Council
2012/13 Proposed Fees & Charges



Type of Fees and Charges	UNIT CHARGE RATE	GST Applied 10% Y/N	Adopted 2011-12 Fee GST Incl.	Proposed 2012-13 Fee GST Incl.	Fee Increase \$
Family & Youth					
PRE SCHOOL EDUCATION					
Enrolment Fee	Per Enrolment	No	\$ 16.50	\$ 16.50	\$ -
CHILD CARE					
Long Day Care Candlebark:					
Per day	Per Day	No	\$ 77.00	\$ 80.00	\$ 3.00
Per week	Per Week	No	\$ 305.00	\$ 320.00	\$ 15.00
Late Collection Fee	Per 15 Minutes	Yes	\$ 15.00	\$ 15.00	\$ -
FAMILY DAY CARE					
Parent Administration Fee	Per Hour	No	\$ 0.50	\$ 0.60	\$ 0.10
Carer Provider Scheme Contribution	Per Week	No	\$ 4.20	\$ 4.50	\$ 0.30
BEFORE & AFTER SCHOOL CARE					
Before School Care (Karingal)	Per Day	No	\$ 22.00	\$ 23.00	\$ 1.00
After School Care (Frankston)	Per Day	No	\$ 22.00	\$ 23.00	\$ 1.00
After School Care (Karingal)	Per Day	No	\$ 22.00	\$ 23.00	\$ 1.00
After School Care (Kingsley Park)	Per Day	No	\$ 22.00	\$ 23.00	\$ 1.00
After School Care (Seaford)	Per Day	No	\$ 22.00	\$ 23.00	\$ 1.00
Late Collection Fee	Per 15 Minutes	Yes	\$ 15.00	\$ 15.00	\$ -
VACATION CARE					
Karingal	Per Day	No	\$ 50.00	\$ 52.50	\$ 2.50
Kingsley Park	Per Day	No	\$ 50.00	\$ 52.50	\$ 2.50
Seaford	Per Day	No	\$ 50.00	\$ 52.50	\$ 2.50
Excursions	Per Excursion	No	\$ 15.00	\$ 15.00	\$ -
Late Collection Fee	Per 15 Minutes	No	\$ 15.00	\$ 15.00	\$ -
Late Enrolment Fee	Per Application	No	\$ 30.00	\$ 30.00	\$ -
COMMUNITY BUS HIRE					
Community Bus Hire	Per Day	Yes	\$ 105.00	\$ 110.50	\$ 5.50
IMMUNISATIONS					
Vaccines Provided at Corporate Sessions:					
Fluvax	Per Injection	Yes	\$ 30.00	\$ 32.00	\$ 2.00
Chicken Pox	Per Injection	Yes	\$ 55.00	\$ 65.00	\$ 10.00

Appendix F
Frankston City Council
2012/13 Proposed Fees & Charges



Type of Fees and Charges	UNIT CHARGE RATE	GST Applied 10% Y/N	Adopted 2011-12 Fee GST Incl.	Proposed 2012-13 Fee GST Incl.	Fee Increase \$
Libraries and Learning					
Overdue fees	Per Item	Yes	\$ 0.20	\$ 0.20	\$ -
Debt Recovery Fee (Applied on Accounts where balance exceeds \$25 and Account is sent to an External Recovery Agency)	Per Account	Yes	\$ 15.00	\$ 15.00	
Inter-Library Loans	Per Item	Yes	\$ 2.00	\$ 2.20	\$ 0.20
Replacement Membership Card	Per Card	Yes	\$ 3.30	\$ 3.30	\$ -
Printing & Photocopying - Black& White A4	Per Copy	Yes	\$ 0.15	\$ 0.15	\$ -
- Black& White A3	Per Copy	Yes	\$ 0.25	\$ 0.25	\$ -
- Colour A4	Per Copy	Yes	\$ 1.10	\$ 1.10	\$ -
- Colour A3	Per Copy	Yes	\$ 2.20	\$ 2.20	\$ -
Community Groups Room Hire - One Hour	Per Hour	Yes	\$ 20.00	\$ 25.00	\$ 5.00
Community Groups Room Hire - Half Day	Per Half Day	Yes	\$ 45.00	\$ 50.00	\$ 5.00
Corporate Groups Room Hire - Half Day	Per Half Day	Yes	\$ 110.00	\$ 115.00	\$ 5.00
Bookclub - Full Fee	Per Membership	Yes	\$ -	\$ 75.00	\$ 75.00
Bookclub - Concession	Per Membership	Yes	\$ -	\$ 50.00	\$ 50.00
Aged Services					
<i>Home & Community Care Client fees are means tested based on Community Health, Home & Community Care Programs - Income F</i>					
General Home Care					
Low	Per Hour	No	\$ 5.15	\$ 5.35	\$ 0.20
Minimum Medium	Per Hour	No	\$ 8.75	\$ 9.10	\$ 0.35
Mid Medium	Per Hour	No	\$ 11.90	\$ 12.40	\$ 0.50
Maximum Medium	Per Hour	No	\$ 13.60	\$ 14.15	\$ 0.55
Full Fee	Per Hour	No	\$ 25.25	\$ 26.25	\$ 1.00
Personal Care					
Low	Per Hour	No	\$ 3.95	\$ 4.10	\$ 0.15
Minimum Medium	Per Hour	No	\$ 8.35	\$ 8.70	\$ 0.35
Mid Medium	Per Hour	No	\$ 8.35	\$ 8.70	\$ 0.35
Maximum Medium	Per Hour	No	\$ 8.35	\$ 8.70	\$ 0.35
Full Fee	Per Hour	No	\$ 25.25	\$ 26.25	\$ 1.00
Respite Care					
Low	Per Hour	No	\$ 2.90	\$ 3.00	\$ 0.10
Minimum Medium	Per Hour	No	\$ 3.95	\$ 4.10	\$ 0.15
Mid Medium	Per Hour	No	\$ 4.85	\$ 5.05	\$ 0.20
Maximum Medium	Per Hour	No	\$ 7.85	\$ 8.15	\$ 0.30
Full Fee	Per Hour	No	\$ 25.25	\$ 26.25	\$ 1.00
Home Maintenance					
Low	Per Hour	No	\$ 8.90	\$ 9.25	\$ 0.35
Minimum Medium	Per Hour	No	\$ 9.35	\$ 9.70	\$ 0.35
Mid Medium	Per Hour	No	\$ 10.35	\$ 10.75	\$ 0.40
Maximum Medium	Per Hour	No	\$ 11.90	\$ 12.35	\$ 0.45
Full Fee	Per Hour	No	\$ 43.10	\$ 44.80	\$ 1.70
Group Respite	Per Hour	No	\$ 3.80	\$ 3.95	\$ 0.15

Appendix F

Frankston City Council 2012/13 Proposed Fees & Charges



FRANKSTON CITY COUNCIL 2012/13 BUDGET

Type of Fees and Charges	UNIT CHARGE RATE	GST Applied 10% Y/N	Adopted 2011-12 Fee GST Incl.	Proposed 2012-13 Fee GST Incl.	Fee Increase \$
Meals on Wheels					
Low	Per Meal	No	\$ 5.25	\$ 5.45	\$ 0.20
Minimum Medium	Per Meal	No	\$ 7.85	\$ 8.15	\$ 0.30
Mid Medium	Per Meal	No	\$ 7.85	\$ 8.15	\$ 0.30
Maximum Medium	Per Meal	No	\$ 7.85	\$ 8.15	\$ 0.30
Full Fee	Per Meal	No	\$ 11.85	\$ 12.30	\$ 0.45
Commonwealth Respite					
Low	Per Hour	No	\$ 3.95	\$ 4.10	\$ 0.15
Minimum Medium	Per Hour	No	\$ 14.10	\$ 14.65	\$ 0.55
Mid Medium	Per Hour	No	\$ 14.10	\$ 14.65	\$ 0.55
Maximum Medium	Per Hour	No	\$ 14.10	\$ 14.65	\$ 0.55
Full Fee	Per Hour	No	\$ 25.30	\$ 26.30	\$ 1.00
Planned Activity Group					
Bingo	Per Session	Yes	\$ 5.20	\$ 5.40	\$ 0.20
Musical Matinees	Per Session	Yes	\$ 15.60	\$ 16.20	\$ 0.60
Commercial Package Domestic					
	Per Hour	Yes	\$ 46.85	\$ 48.70	\$ 1.85
Commercial Package Home Maint, Personal Care, Respite Care					
	Per Hour	Yes	\$ 50.00	\$ 52.00	\$ 2.00
Commercial Package Meals on Wheels					
	Per Meal	Yes	\$ 11.85	\$ 12.30	\$ 0.45
Seniors Citizens Centres					
Rental - Frankston	Per Annum	Yes	\$ 4,010.00	\$ 4,212.50	\$ 202.50
Rental - Frankston East	Per Annum	Yes	\$ 13,750.00	\$ 14,445.00	\$ 695.00
Seaford	Per Annum	Yes	\$ 8,825.00	\$ 9,270.00	\$ 445.00

Appendix F

Frankston City Council 2012/13 Proposed Fees & Charges



FRANKSTON CITY COUNCIL 2012/13 BUDGET

Type of Fees and Charges	UNIT CHARGE RATE	GST Applied 10% Y/N	Adopted 2011-12 Fee GST Incl.	Proposed 2012-13 Fee GST Incl.	Fee Increase \$
Compliance & Safety					
CAR PARKING					
CAA Parking Fees - Hourly	Per Hour	Yes	\$ 0.80	\$ 0.80	\$ -
CAA Parking Fees - Daily	Per Day	Yes	\$ 4.50	\$ 4.70	\$ 0.20
Foreshore Parking - Hourly	Per Day	Yes	\$ 2.50	\$ 2.50	\$ -
HEALTH SERVICES					
Registration fee - Hospitals	Per Permit	No	\$ 1,063.00	\$ 1,116.00	\$ 53.00
Registration fee - Nursing Homes	Per Permit	No	\$ 396.00	\$ 416.00	\$ 20.00
Registration fee - Hotels	Per Permit	No	\$ 678.00	\$ 712.00	\$ 34.00
Registration fee - Take Aways	Per Permit	No	\$ 532.00	\$ 560.00	\$ 28.00
Registration fee - Supermarkets	Per Permit	No	\$ 407.00	\$ 427.50	\$ 20.50
Registration fee - Milk Bars	Per Permit	No	\$ 313.00	\$ 330.00	\$ 17.00
Registration fee - Kiosks	Per Permit	No	\$ 229.00	\$ 240.00	\$ 11.00
Registration fee - Sporting Clubs	Per Permit	No	\$ 115.00	\$ 122.00	\$ 7.00
Registration fee - Hair and Beauty	Per Permit	No	\$ 198.00	\$ 208.00	\$ 10.00
Registration fee - Caravan Parks	Per Permit	No	\$ 2.50	\$ 2.70	\$ 0.20
Registration transfer fee	Per Application	Yes	\$ 240.00	\$ 252.00	\$ 12.00
Septic Tank Permit Fee	Per Permit	No	\$ 323.00	\$ 340.00	\$ 17.00
COMMUNITY SAFETY					
Burning off Permits - Residential	On Application	No	\$ 32.00	\$ 50.00	\$ 18.00
Burning off periods - Commercial	On Application	No	\$ 157.00	\$ 185.00	\$ 28.00
DOMESTIC ANIMALS					
Pound Release Fee - Dogs	Per Animal	No	\$ 67.00	\$ 135.00	\$ 68.00
Pound Release Fee - Cats	Per Animal	No	\$ 35.00	\$ 70.00	\$ 35.00
Animal Registration Fees - Full Fee	Per Animal	No	\$ 36.00	\$ 40.00	\$ 4.00
Animal Registration Fees - Concession	Per Animal	No	\$ 18.00	\$ 20.00	\$ 2.00
LOCAL LAWS					
Outdoor Dining - Tables	Per Table	No	\$ 27.50	\$ 50.00	\$ 22.50
Outdoor Dining - Chairs	Per Chair	No	\$ 11.00	\$ 25.00	\$ 14.00
Outdoor Dining - Application Fee	Per Application	No	\$ 55.00	\$ 55.00	\$ -
Advertising Signage - A Frames	Per Application	No	\$ 141.00	\$ 150.00	\$ 9.00
Display of Goods	On Application	No	\$ 151.00	\$ 250.00	\$ 99.00
Containers on Roads	Per Application	No	\$ 6,250.00	\$ 6,560.00	\$ 310.00
Miscellaneous Vehicle Permit Fees	Per Application	No	\$ 55.00	\$ 55.00	\$ -
Pound Release Fee - Motor Vehicles	Per Vehicle	No	\$ 200.00	\$ 250.00	\$ 50.00
Pound Release Fee - Motor Bikes	Per Item	No	\$ 575.00	\$ 650.00	\$ 75.00
Pound Release Fee - Trolleys & Miscellaneous	Per Item	No	\$ 50.00	\$ 52.50	\$ 2.50
Keast Park Horse Permit Fee	Per Lifetime	Yes	\$ 100.00	Ceased	\$ -
Keast Park Horse Permit Fee	Per Annum	Yes	\$ -	\$ 250.00	\$ 250.00
Bulk Bins Annual Permit Fee	Per Annum	Yes	\$ 427.00	\$ 550.00	\$ 123.00
Bulk Bins Weekly Permit Fee	Per Week	Yes	\$ 10.00	\$ 50.00	\$ 40.00
Bulk Bins Roadway Casual Permit Fee	Per Day	Yes	\$ 11.00	\$ 15.00	\$ 4.00

Appendix F

Frankston City Council 2012/13 Proposed Fees & Charges



Type of Fees and Charges	UNIT CHARGE RATE	GST Applied 10% Y/N	Adopted 2011-12 Fee GST Incl.	Proposed 2012-13 Fee GST Incl.	Fee Increase \$
Finance					
Land Information Certificate	Per Certificate	No	\$ 20.00	\$ 20.00	\$ -
Urgent Land Information Certificate	Per Certificate	No	\$ 60.00	\$ 62.00	\$ 2.00
Immediate Land Information Certificate	Per Certificate	No	\$ 82.00	\$ 85.00	\$ 3.00
Supps - State Revenue Office	Per Request	Yes	\$ 12.20	\$ 13.00	\$ 0.80
Information Services					
Freedom of Information Fees	Per Application	No	\$ 50.00	\$ 52.50	\$ 2.50
Aerial Photography	Per Map	No	\$ 50.00	\$ 50.00	\$ -
Governance & Customer Relations					
Boat Shed Fees	Annual charge	Yes	\$ 530.00	\$ 556.80	\$ 26.80
Community Development					
Ebdale Hub					
Meeting Room Hire - Community Groups	Per Hour	Yes	\$ -	\$ 20.00	\$ 20.00
Meeting Room Hire - Community Groups	Per Half Day	Yes	\$ -	\$ 45.00	\$ 45.00
Meeting Room Hire - Corporate	Per Half Day	Yes	\$ -	\$ 90.00	\$ 90.00

Appendix G Key Strategic Activities

Key strategic activities
For the year ending 30 June 2013

Key Strategies	Initiative	Key Strategic Activity	Measure	Target	How data is reported	Responsible
Strategic Objective 1						
Well Governed						
1.1 Increase Council's responsiveness to our community	1.1.1	Embed Local Area Planning as the key engagement tool (opportunity) for residents to advance the future of their suburbs	Satisfaction with process of engagement	85% satisfied with process of engagement	Council Minutes	Community Development Manager
1.3 Improve organisational capacity to better deliver on community needs	1.3.3	Improve our governance practices through the development of a Good Governance Program	Good Governance Program presented to Council	Program presented by 30 June 2013	Council Minutes	Governance & Customer Relations Manager
Strategic Objective 2						
A Safe City						
2.1 Improve safety, both real and perceived, across the municipality	2.1.1	Advocate to State Government to address: - An increase in police foot patrols in Central Activities Area (City Centre)	Community perception of safety in the Central Activities Area (City Centre)	80% feel safe in the Central Activities Area	Pulse Survey	Compliance & Safety Manager
2.1 Improve safety, both real and perceived, across the municipality	2.1.4	Implement enforcement and compliance to improve derelict & unsightly buildings	Enforcement action taken against unsightly & derelict properties	Enforcement action taken against 90% of unsightly & derelict properties	Interplan Reporting System	Compliance & Safety Manager
2.1 Improve safety, both real and perceived, across the municipality	2.1.3	Improve the cleanliness, appearance and presentation of Central Activities Area	Satisfaction of cleanliness, appearance and presentation of Central Activities Area	88% satisfaction with cleanliness, appearance and presentation	SQMS Audit Report	Physical Services Manager
Strategic Objective 3						
Vibrant and Healthy Community						
3.1 Improve the Health and Wellbeing of the community	3.1.2	Promote and monitor the 6 neighbourhood Youth Services	Number of youth participating in youth programs per Youth Services Site	2000 youth participants per Youth Services Site	Interplan Reporting System	Family and Youth Manager

Appendix G Key Strategic Activities (Continued)

Key strategic activities
For the year ending 30 June 2013

Key Strategies	Initiative	Key Strategic Activity	Measure	Target	How data is reported	Responsible
Strategic Objective 4						
Well Planned, Well Built & Well Maintained						
4.1 Redevelop Frankston's Central Activity Area (City Centre) and the transit interchange	4.1.2	Create & promote systems to ensure faster and more effective planning decisions for high quality developments in the Central Activities Area (City Centre).	Percentage of planning applications approved within the statutory timeframe within the Central Activities Area (City Centre)	60% approved within the statutory timeframe within the Central Activities Area (City Centre)	Interplan Reporting System	Planning Manager
4.1 Redevelop Frankston's Central Activity Area (City Centre) and the transit interchange	4.1.1	Work with Places Victoria & DOT to redevelop the Frankston Transit Interchange with associated employment, education and housing opportunities	Complete Urban Renewal Strategy and submit to Government for funding	Funding announced in State Government Budget announcement in April 2013	Interplan Reporting System	Urban Strategy Manager
			Complete Frankston Transport Interchange Precinct Master Plan and submit to Government for funding	Funding announced in State Government Budget announcement in April 2013		
4.3 Build a Regional Aquatic Centre	4.3.1	Design a regional aquatic centre which meets the community's needs	Award Tender and signing of Contract	Tender awarded and contract signed by 31 Oct 2012	Major Projects Status Report	Major Projects Manager
Strategic Objective 5						
Clean and Green for our Future						
5.2 Minimise impact of and adapt to climate change on the municipality	5.2.3	Conduct drainage modelling for flood prone areas at risk of storm/tidal damage	Complete drainage modelling presented to Council for Frankston South and Dandenong Road East	Drainage Modelling completed by 30th June 2013	Council Report	Infrastructure Manager
5.1 Provide leadership by reducing Council's greenhouse gas emissions	5.1.2	Ensure 15% or more of Council's energy supplies come from alternate sources by June 2015	Percentage of Council's total energy usage from renewable energy & natural gas	15% of Council's total energy usage from renewable energy & natural gas by 30 June 2013	Quarterly Energy Report	Environment Manager
Strategic Objective 6						
A Place of Business Prosperity that Values Learning						
6.1 Increase the number of employers and jobs in Frankston	6.1.1	Identify and attract new business and investment to Frankston	Number of actions in the Frankston Investment Attraction Action Plan commenced	16 actions in the Frankston Investment Attraction Action Plan commenced by June 2013	Interplan Reporting System and Council's Top Priorities Report to the Major Projects Advisory Committee Status report	Urban Strategy Manager